NO. 78844-8

SUPREME COURT OF THE STATE OF WASHINGTON

THE STATE OF WASHINGTON, and WILLIAM RICE, Director of the State Department of Revenue,

Appellants,

v.

WASHINGTON CITIZENS ACTION OF WASHINGTON, a Washington Non-Profit Corporation; WELFARE RIGHTS ORGANIZING COALITION, a Washington Non-Profit Corporation; 1000 FRIENDS OF WASHINGTON, a Washington Non-Profit Corporation; and WHITMAN COUNTY,

Respondents.

ANSWER OF APPELLANTS TO BRIEF OF AMICI CURIAE

ROBERT M. MCKENNA
Attorney General

JAMES K. PHARRIS
Deputy Solicitor General
WSBA #5313
PO Box 40100
Olympia, WA 98504-0100
(360) 664-3027

CAMERON G. COMFORT
Sr. Assistant Attorney General
WSBA # 15188
PO Box 40123
Olympia, WA 98504-0123
(360) 664-9429

TIMOTHY D. FORD
Deputy Solicitor General
WSBA #29254
PO Box 40100
Olympia, WA 98504-0100
(360) 586-0756

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Cases

Statutes

Constitutional Provisions

Treatises

I. INTRODUCTION

Amici Curiae Washington State Association of Municipal Attorneys, Association of Washington Cities, and Washington Association of Counties (hereinafter Amici) argue that Initiative 747 (I-747) violates article II, section 37 because it "purport[s] to amend [Initiative] 722, a statute that did not exist." Br. of Amici at 3. Amici are wrong. Initiative 747 did not amend a statute that did not exist and it fully complies with article II, section 37 because the initiative, as required, accurately sets forth at full length the proper versions of the statutes being amended.

Amici also argue that I-747 violates article II, section 19 because its ballot title "misled the public, perhaps deliberately, by overstating the public's right to vote on tax increases." Br. of Amici at 18. Amici again are wrong. The ballot title of Initiative 747 did not overstate the public's right to vote on tax increases and it complies with article II, section 19 because its subject, as required, is "expressed in the title."

For the reasons stated herein, as well as in the State's earlier briefs, this Court should uphold the constitutionality of I-747 and reverse the superior court's contrary order.

II. ARGUMENT

A. Initiative 747 Sets Forth In Full The Two Statutes It Amends And Shows How Each Is Amended Compared With Their Latest Enacted Versions In Compliance With Article II, Section 37.

Article II, section 37 provides: "No act shall ever be revised or amended by mere reference to its title, but the act revised or the section

amended shall be set forth at full length."[1] Article II, section 37 applies to initiatives. *State v. Thorne*, 129 Wn.2d 736, 753, 921 P.2d 514 (1996). And sections 2 and 3 of I-747 amend RCW 84.55.005 and RCW 84.55.0101 so both statutes had to be set forth at full length.

Amici argue the State insists "that accuracy is not required as long as some statute—any statute—is fully set forth . . . ." Br. of Amici at 10. That is not the State's position. The State does not contend an initiative petition may inaccurately set forth the statutes that are amended. *See Parosa v. Tacoma*, 57 Wn.2d 409, 357 P.2d 873 (1960) (concluding that an act of the Legislature violated article II, section 37 because it amended a statute codified in the Revised Code of Washington, and not the original session law, and the codified statute did not accurately set forth the session law because the session law had been divided into two statutes). Agreeing that an initiative petition must accurately set forth the amended statutes, however, does not answer the key question before this Court: Which versions of RCW 84.55.005 and RCW 84.55.0101 was I-747 required to set forth?

Amici contend that I-747 fails to set forth the proper amended statutes because I-722, which I-747 amended, had been declared unconstitutional by this Court several weeks before the November 2001 election. Br. of Amici at 11. They argue that a bright-line rule is

---

[1] The constitutional provision reserving the power of initiative to the people contains a similar requirement: "Every such petition shall include the full text of the measure so proposed." Const. art. II, § 1(a).

necessary and that rule should be "accuracy must be determined at the time of the vote." *Id.* The State agrees that a bright-line rule would be helpful to drafters of initiatives. But as the State argues in its opening brief, a different rule is appropriate. That rule is, if at the time it is filed with the Secretary of State, an initiative sets forth in full the acts or sections it amends, and uses the latest enacted versions of those acts or sections, then it complies with article II, section 37. Because it does just that, I-747 complies with article II, section 37.

RCW 84.55.005 and RCW 84.55.0101, the two statutes I-747 amends, had been recently amended by I-722, which the people approved at the general election on November 2, 2000. Section 2 of I-747 amends "RCW 84.55.005 and 2001 c 2 s 5 (Initiative Measure No. 722) . . . ." Laws of 2002, ch. 1, § 2. Section 3 of the initiative amends "RCW 84.55.0101 and 2001 c 2 s 6 (Initiative Measure No. 722) . . . ." Laws of 2002, ch. 1, § 3.[2]

Almost immediately after the November 2000 election, a coalition of local governments and individuals filed an action in Thurston County Superior Court challenging the constitutionality of I-722. On November 30, 2000, the superior court issued a preliminary injunction against implementation of I-722. On February 23, 2001, after hearing cross-motions for summary judgment, the superior court entered an order ruling I-722 unconstitutional. Eventually, on September 20, 2001, this

[2] Neither Amici nor respondents contend that I-747 inaccurately sets forth either RCW 84.55.005 or RCW 84.55.0101 as amended by I-722.

Court declared I-722 unconstitutional and issued an opinion affirming the trial court. *Burien v. Kiga*, 144 Wn.2d 819, 31 P.3d 659 (2001).

In the meantime, I-747 was filed with the Secretary of State on January 11, 2001.[3] At that time, the most recent amendments to RCW 84.55.005 and RCW 84.55.0101 were those made by I-722. That I-722 was the subject of a constitutional challenge should not matter. At the time I-747 was filed, no ruling on the merits regarding the constitutionality of I-722 had been entered, let alone a final ruling. And both statutes were entitled to a presumption of constitutionality. *Pierce County v. State*, 159 Wn.2d 16, 41, 148 P.3d 1002 (2006). Indeed, in *Pierce County*, this Court recently rejected the argument that an act violated article II, section 37 because it set forth an invalid version of a statute: "Since the 1994 legislature was entitled to assume that the 1993 act was constitutional, the legislature properly complied with article II, section 37 by setting forth the relevant section effective at the time of the legislature's action." *Id.*

Accordingly, the drafters of I-747 did exactly what any reasonable person would do: they drafted I-747 to set forth in full both RCW 84.55.005 and RCW 84.55.0101 and showed how the new language would amend the two statutes compared with the latest enacted version of each statute.

---

[3] Proposed initiative measures must be filed within ten months prior to the election at which they are to be submitted. RCW 29A.72.030. Furthermore, to qualify for the ballot, the requisite petition signatures must be filed with the Secretary of State at least four months before the election. Const. art. II, § 1.

Using the date an initiative measure is filed with the Secretary of State to evaluate compliance with article II, section 37 also makes sense. Drafters of initiatives should understand exactly what they must do. When they seek to amend a statute by filing an initiative petition, they should be able to rely on the current version of the codified law, rather than guessing whether, prior to the general election, that version subsequently will be declared unconstitutional by this Court or will be amended by the Legislature. Therefore, drafters of initiatives should be entitled to rely on the presumption of constitutionality and, consequently, found to comply with article II, section 37 if they set forth in full the acts or sections the initiative amends and use the latest enacted versions of those acts or sections.[4]

In contrast to the State's position, the rule proposed by Amici—that accuracy must be determined at the time of the vote—would lead to all sorts of uncertainty and potential mischief. For one, initiative proposals must be submitted to the Secretary of State well before the general election. This is necessary to allow adequate time for the Attorney General's Office to prepare a ballot title and summary, (RCW 29A.72.060), for a superior court appeal of the ballot title (RCW

[4] Amici contend that I-747's proponents should have known I-722 would be held unconstitutional. See Br. of Amici at 14-16. They suggest a slippery standard that would depend on a subjective evaluation of the likelihood a law will be held unconstitutional. Amici would impose on the sponsors of a proposed initiative the impossible task of correctly divining whether existing laws will remain valid (or unchanged) until the election.

29A.72.080),[5] to prepare the petitions (RCW 29A.72.100), and to circulate those petitions and collect several hundred thousand signatures (RCW 29A.72.150).[6] There time period during which to accomplish all this is quite limited since the signatures must be submitted to the Secretary of State at least four months before the general election (Const. art. II, § 1(a); RCW 29A.72.160).

The constitutional and statutory provisions applying to the initiative process thus necessarily require drafting the text of the initiative well before the general election. Under Amici's rule, the ability to exercise the power of the initiative always will be uncertain. A person seeking to exercise that power never will know until the general election whether the right version of the statute has been amended because any statute the initiative seeks to amend may be altered by a court decision or legislation during the five to ten months from when the text of the initiative is filed with the Secretary of State until the day the general election is held. Given the effort, time, and expense needed to qualify an initiative for the ballot, the uncertainty caused by Amici's proposed rule would seriously chill the exercise of the power of the initiative.

---

[5] Indeed, two separate ballot title challenges were brought in Thurston County Superior Court challenging I-747's ballot title. Thurston County Superior Court No. 01-2-00125-3.

[6] The supporters of I-747 obtained and filed 290,704 valid signatures. See http://www.secstate.wa.gov/elections/initiatives/statistics_initiatives.aspx (last visited Apr. 21, 2007).

In addition, Amici's rule would allow the Legislature to undermine the initiative process should it choose to.[7] For example, suppose in the 2001 legislative session, the Legislature had amended RCW 84.55.005 to change the levy limit factor to three percent. Under Amici's proposed rule, I-747 would have been invalid because the voters would have voted on an inaccurate version of RCW 84.55.005. Therefore, the Legislature effectively could frustrate any initiative simply by amending the statute the initiative seeks to amend after the initiative has been filed with the Secretary of State. Similarly, parties hostile to the proposed initiative could seek to halt it by filing a challenge to the statutes set forth in the initiative and "rolling the dice" that a court will invalidate some or all of them before the measure comes to a vote.

Furthermore, Amici's rule places undue importance on the date this Court issues a decision. Under Amici's proposed rule, the constitutionality of an initiative would depend entirely on the date an opinion is issued. For example, if this Court were to rule the Thursday before the general election that a statute subject to amendment by an initiative on the ballot is unconstitutional, then the initiative, according to Amici, presumably would be inaccurate and hence would violate article II, section 37. But if this Court issued its opinion on the Thursday *following* the general election, then the initiative, according to Amici, presumably would be accurate and not unconstitutional. Clearly, the *mere timing* of an

[7] The situation also could arise when the Legislature, in good faith, sees the need to amend a statute that happens to be the subject of an amendment in a pending initiative.

appellate decision should not determine the result under article II, section 37.

Amici criticize the sponsors of I-747 for not amending the initiative or withdrawing it and submitting a new initiative the following year. See Br. of Amici at 11-13, 15-16.[8] Amici, however, cite no authority for the proposition that a sponsor may amend an initiative after it has been filed with the Secretary of State. This undoubtedly is because from the date of its filing onward, the text of I-747 was "fixed"; neither the constitution nor any statute provides a mechanism for amending an initiative measure once it has been filed. *See* Const. art. II, § 1; RCW 29A.72.010; RCW 29A.72.030.[9] Nor do Amici cite any legal authority suggesting that the sponsors could have withdrawn I-747 after they submitted the 290,704 valid signatures supporting the initiative to the Secretary of State in mid-2001.

Amici may wish that the sponsors and supporters of I-747 had abandoned their efforts to place the measure before the voters in 2001. But those sponsors and supporters had every right to exercise the right of initiative guaranteed by article II, § (1)(a). Compared to that

---

[8] Amici, as well as respondents, display a distinct coolness toward the initiative process in suggesting that initiative measures would simply have to be withdrawn and re-filed the next year if the statutes being amended have changed at the time the measure comes to a vote.

[9] Under Amici's proposed rule, the only choice sponsors would have is to abandon the initiative in question and file a new one correcting the "errors," with perhaps only a few weeks or days to start over collecting signatures. And if the court decision (as here) comes after the deadline for submitting signatures, even that is not an option, and initiative proponents would have to start over the next year.

constitutional right, Amici's preference for them to start over in 2002 clearly is immaterial.

In sum, the State's proposed rule is sensible and workable and it comports with article II, section 37. The drafters of I-747 did exactly what they should have done. They set forth in full both RCW 84.55.005 and RCW 84.55.0101 and showed how the new language would amend the two statutes compared with the most recently enacted version of each statute. Consequently, the superior court erred in concluding that I-747 violated article II, section 37.

B. Initiative 747 Complies With Article II, Section 37 Even If Such Compliance Is Determined At The Time Of The Vote.

Even if Amici's proposed bright-line rule were reasonable, which it is not, and the accuracy of I-747's statement of the law must be determined as of the day of the 2001 general election, this Court should conclude that I-747 complies with article II, section 37. Article II, section 37 should not be interpreted to prevent the Legislature or the people from amending a statute after it has been declared unconstitutional.

In *State v. Sam*, 85 Wn.2d 713, 538 P.2d 1209 (1975), this Court construed RCW 9.61.040, which had been amended by Laws of 1971, 1st Ex. Sess., ch. 152, § 5. When it amended RCW 9.61.040, the Legislature set forth the previous version of the statute in full, even though 14 years earlier in *Walder v. Belnap*, 51 Wn.2d 99, 316 P.2d 119 (1957), this Court had held that a provision of RCW 9.61.040 had been superseded and impliedly repealed. *Sam*, 85 Wn.2d at 714-15. Even though the

legislation at issue included a provision which had been superseded and impliedly repealed, this Court nonetheless stated:

> In compliance with Const. art. 2, § 37, the legislature set forth at full length all of the provisions of the act as it had been last amended in 1909. These included the provision with reference to the driving away of an automobile, which this court had held had been impliedly repealed in 1915.

Sam, 85 Wn.2d at 715.

Thus, even though the legislation at issue in *Sam* contained "inaccurate" language, it did not violate article II, section 37. Under the reasoning of *Sam*, neither does I-747. Like the legislation in *Sam*, I-747 simply sets forth at full length RCW 84.55.005 and RCW 84.55.0101 as each had last been amended.

Amici likely would respond that *Sam* is distinguishable because I-747 does not involve a superseded statute, but instead an unconstitutional statute which became "as inoperative as if it had never been passed." Br. of Amici at 3. But the reasoning of *Sam* should apply equally to an unconstitutional law.

The principle that an unconstitutional act or statute may be amended is discussed in a leading treatise on statutes and statutory construction. In 1A Norman J Singer, *Statutes and Statutory Construction* § 22.4, at 254-56 (6th ed. 2002), the author explains that the majority of courts have rejected the theory, urged by Amici (and applied by the superior court), that an unconstitutional act does not exist and must be treated as if it had never been passed:

> A majority of courts seem to have rejected the theory that an unconstitutional act has no existence, at least for the purpose of amendment. The unconstitutional act physically exists in the official statutes of the state and is available for reference, and as it is only unenforceable, the purported amendment is given effect. If the law as amended is constitutional, it will be enforced. . . .
>
> This escape from the legal fiction that an unconstitutional act does not exist is sound. That fiction serves only as a convenient method of stating that an unconstitutional act gives no rights or imposes no duties. This conclusion should not be used to determine an issue which was not considered in formulating the fiction. The intent of the legislature is just as easily ascertained whether amending a valid act or an unconstitutional one. Amendment offers a convenient method of curing a defect in an unconstitutional act.

Id. (footnotes omitted).

Courts from other states have expressly held legislation amending an unconstitutional act does not violate their state constitution's counterpart to article II, section 37. For example, in *Ex Parte Hensley*, 162 Tex. Crim. 348, 285 S.W.2d 720 (1956), the court considered an effort by the Texas legislature to amend a statute that had been held unconstitutional. The court rejected a challenge under article III, § 36 of the Texas Constitution (the provision comparable to article II, section 37),[10] explaining that an unconstitutional statute does not lose its existence for purposes of amendment:

> The rule which we believe to be controlling is that a statute which the courts have held to be unconstitutional does not lose its existence, at least for the purpose of amendment, and insofar as its future operation is concerned

[10] Tex. Const. art. III, § 36 provides: "No law shall be revived or amended by reference to its title; but in such case the act revived, or the section or sections amended, shall be reenacted and published at length."

> the legislature may amend it by removing its objectionable provisions or supplying others so as to make the act as amended conform to the requirements of the Constitution.[11]

Ex Parte Hensley, 285 S.W.2d at 722.

Although no Washington authority precisely on point has been found, the reasoning in *Pierce County v. State*, 159 Wn.2d 16, 148 P.3d 1002 (2006), is entirely consistent with the principle that article II, section 37 is not violated simply because a bill or initiative amends an act or section that has been declared unconstitutional. Therefore, this Court should conclude that I-747 fully complies with the requirements of article II, section 37, even though I-722 was held unconstitutional six weeks before the 2001 general election.

C. Initiative 747 Discloses Its Impact By Setting Forth The Latest Enacted Versions Of The Two Statutes It Amends And Showing How Each Would Read If The Initiative Were Approved, Satisfying The Purpose Of Article II, Section 37.

Finally, contrary to Amici's argument, I-747 satisfies the purpose of article, II, section 37 of protecting the public (and members of the Legislature) from fraud and deception. *Spokane Grain & Fuel Co. v. Lyttaker*, 59 Wash. 76, 82, 109 P. 316 (1910). Initiative 747 sets forth RCW 84.55.005 and RCW 84.55.0101 in full and shows voters how each would read if the initiative were approved.[12] That the initiative would limit property tax levy increases to one percent is plain.

---

[11] *Accord People v. De Blaay*, 137 Mich. 402, 405, 100 N.W. 598, 599 (1904). *See also Carey v. Lincoln Loan Co.*, 203 Or. App. 399, 412, 125 P.3d 814, 823 (2005) (*citing* 1A Norman J Singer, *Statutes and Statutory Construction* § 22.4 (6th ed. 2002)).

[12] Amici accuse I-747's drafters of purposefully including the text of I-722 in I-747 to deceive the voters. Br. of Amici 12. But no evidence in the record supports this

Amici argue more was necessary under article II, section 37. They quote *Amalgamated Transit Union Local 587 v. State*, 142 Wn.2d 183, 246, 11 P.3d 762 (2000), for the proposition that "'[t]he second purpose of [article II, section 37] is the necessity of insuring that legislators are aware of the nature and content of the law which is being amended and the effect of the amendment upon it. Or, stated another way, to disclose the act's impact on existing laws.'" Br. of Amici at 8. Therefore, according to Amici, I-747 violates article II, section 37 because it did not put the "correct" limit factor (106%) in front of the voters. Br. of Amici at 16-18.

But as explained above, I-747 amends the proper versions of RCW 84.55.005 and RCW 84.55.0101. Initiative 747 discloses its impact by setting forth the latest enacted versions of the two statutes and showing how each would read if the initiative were approved. Nothing more was required by article II, section 37.[13]

---

accusation, or that the drafters were attempting to do anything other than comply with article II, section 37 by setting forth in full RCW 84.55.005 and RCW 84.55.0101as each had been amended by I-722 and showing how each would be amended.

[13] This Court has held that the purpose of article II, section 37 is fulfilled if the proposed amendatory legislation sets forth in full the act or section as it would exist following its amendment. *State ex rel. Gebhardt v. Superior Court*, 15 Wn.2d 673, 685, 131 P.2d 943 (1942) ("The result desired by [article II, section 37] is to have in a section amended a complete section, so that no further search will be required to determine the provisions of such section as amended."); *see also Mudgett v. Liebes*, 14 Wash. 482, 486, 45 P. 19 (1896); *Spokane & Eastern Trust Co. v. Hart*, 127 Wash. 541, 551, 221 P. 615 (1923); Thomas M. Cooley, *Constitutional Limitations* at 151-52 (1868) ("[I]t does not seem to be at all important to its accomplishment [referring to the requirement that the act revised or section amended be set forth in full] that the old law should be republished, if the law as amended is given in full, with such reference to the old law as will show for what the new law is substituted."). And, in fact, for approximately 50 years after Amendment 7 was approved in 1912 reserving to the people the power of the initiative, voter pamphlets showed only how statutes amended by initiatives would read if the initiative were approved by the voters. See

D. The Ballot Title Of Initiative 747 Was Not Deceptive And It Complied With Article II, Section 19 Because It Informed Voters Of The Initiative's Subject Matter.

Amici suggest that I-747's ballot title was drafted to deliberately mislead the public. See Br. of Amici at 18 ("I-747's ballot title misled the public, perhaps deliberately, by overstating the public's right to vote on tax increases." Amici's suggestion is unfounded. Whether Amici is accusing the Office of Attorney General that drafted the ballot title or the superior court judge that approved the ballot title (see footnote 5), or both, there is nothing in the record to support the notion that the ballot title was drafted to intentionally mislead the public.

Moreover, contrary to Amici's argument, I-747's ballot title is not misleading. I-747's ballot title provides:

> Initiative Measure No. 747 concerns limiting property taxes. This measure would require state and local governments to limit property tax increases to 1% per year, unless an increase greater than this limit is approved by the voters at an election.

CP at 113. The purpose of the first sentence of a ballot title is to state the subject of the measure. RCW 29A.72.050(1)(a). The purpose of second sentence of a ballot title is to provide a concise description of the measure.

---

http://www.secstate.wa.gov/library/docs/OSOS/voterspamphlet/voterspamphlet_home.aspx (E.g., 1922 Voters Pamphlet – Initiative Measure No. 46; 1932 Voters Pamphlet – Initiative Nos. 61 and 62; 1936 Voters Pamphlet – Initiative Measure No. 115; 1948 Voters Pamphlet – Initiative Measure No. 171; 1950 Voters Pamphlet – Initiative Measure No. 178; 1952 Voters Pamphlet – Initiative Measure No. 184; 1954 Voters Pamphlet – Initiative Measure No. 188; 1960 Voters Pamphlet – Initiative Measure Nos. 205, 207). The same is true for proposed amendments to the State Constitution and statutes amended by referenda and session laws. (E.g., 1950 Voters Pamphlet – Senate Joint Resolution No. 9, House Joint Resolution No. 10, and Referendum Measure Nos. 22, 23, and 24; Laws of 1896, ch. 32, § 1; Laws of 1957, ch. 144, §§ 1-19). A copy of a representative voters pamphlet is appended to this brief at A-1 through A-48.

RCW 29A.72.050(1)(b). Voters "reading [I-747's ballot title] for the first time, without any knowledge of the contents of the act, would be reasonably informed as to the subject matter of the act." *Washington State Grange v. Locke*, 153 Wn.2d 475, 498, 105 P.3d 9 (2005). Voters reading I-747's ballot title would know that it concerns limiting property taxes. Thus, I-747's ballot title, as required by article II, section 19, informs the voters of the initiative's subject matter and "gives notice that would lead to an inquiry into the body of the act, or indicate to an inquiring mind the scope and purpose of the law." *Pierce County v. State*, 150 Wn.2d 422, 436, 78 P.3d 640 (2003).

Amici contend that I-747's concise statement "stated the existing law in a misleading fashion." Br. of Amici at 19. The premise of Amici's argument is that I-747 permanently capped the state property tax levy at one percent. Br. of Amici at 19 ("[T]he 101% limit factor as applied to the State is not subject to increase by a vote of the people."). That premise simply is false.

Notwithstanding Amici's assertion, no statute prohibits the Legislature from submitting to the voters a proposition to increase the state property tax levy by more than one percent. RCW 84.55.050 authorizes a "taxing district" to submit a levy increase proposal to the voters. And the definition of "taxing district" expressly includes the state. RCW 84.04.120.

Furthermore, Amici's reliance on RCW 84.55.0101 is misplaced. Br. of Amici at 19 ("RCW 84.55.0101 specifically states that 'taxing

districts *other than the state*' can have a vote for higher taxes." (Emphasis in original)). But RCW 84.55.0101 does not state what Amici claim it does. The "other than the state" limitation in RCW 84.55.0101 has nothing to do with whether the Legislature may submit to the voters a proposition to increase the state property tax levy in excess of the statutory limit factor.

RCW 84.55.0101 provides in pertinent part: "Upon a finding of substantial need, the legislative authority of a taxing district other than the state may provide for the use of a limit factor under this chapter of one hundred six percent or less." Laws of 1997, ch. 3, § 4 (Referendum Bill No. 47, approved November 4, 1997).[14] In turn, the term "limit factor" is defined as "the lesser of one hundred six percent or one hundred percent plus inflation; . . . ." RCW 84.55.005(2)(c) (Laws of 1997, ch. 393, § 20).[15] RCW 84.55.0101 thus allows taxing districts (other than the state), upon a finding of substantial need by a supermajority of their legislative authority, to increase their property tax levies by more than the rate of inflation if inflation is less than six percent. It does not relate to submitting a proposition to the voters. Consequently, the "other than the

---

[14] Section 3 of I-747 amends the first sentence of RCW 84.55.0101 to read: "Upon a finding of substantial need, the legislative authority of a taxing district other than the state may provide for the use of a limit factor under this chapter of one hundred one percent or less unless an increase greater than this limit is approved by the voters at an election as provided in RCW 84.55.050." Laws of 2002, ch. 1, § 3 (Initiative Measure No. 747, approved November 6, 2001).

[15] Section 2 of I-747, of course, changes the limit factor to the "lesser of one percent or one hundred percent plus inflation; . . . ." Laws of 2002, ch. 1, § 2 (Initiative Measure No. 747, approved November 6, 2001).

state" limitation in RCW 84.55.0101 does not prohibit the Legislature from submitting to the voters a proposition to increase the state property tax levy in excess of the limit factor. Amici's argument that the Legislature cannot submit such a proposition to the voters is wrong.

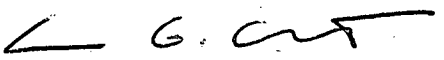
In sum, contrary to Amici's argument, I-747's ballot title does not overstate the public's right to vote on property tax levy increases. Initiative 747's ballot title is not deceptive and it fully complies with article II, section 19's subject-in-title requirement.

III. CONCLUSION

For the reasons expressed above and in the State's earlier briefs, I-747 is constitutional and this Court should reverse the superior court.

RESPECTFULLY SUBMITTED this 24th day of April, 2007.

ROB MCKENNA
Attorney General



CAMERON G. COMFORT
Sr. Assistant Attorney General
WSBA #15188
PO Box 40123
Olympia, WA 98504-0123
(360) 664-9429

JAMES K. PHARRIS
Deputy Solicitor General
WSBA# 5313

TIMOTHY D. FORD
Deputy Solicitor General
WSBA# 29254
PO Box 40100
Olympia, WA 98504-0100
(360) 664-3027

APPENDIX

State of Washington

A PAMPHLET

Containing

Initiative Measure No. 176
Initiative Measure No. 178
Referendum Bill No. 7
Referendum Bill No. 8
Referendum Bill No. 9
Referendum Measure No. 28
Constitutional Amendments

To Be Submitted to the Legal Voters of the State of Washington for Their Approval or Rejection at the STATE GENERAL ELECTION To Be Held on

Tuesday, November 7, 1950

Compiled and issued by Direction of

EARL COE
SECRETARY OF STATE

Ballot Titles Prepared by the Attorney General

SMITH TROY
Attorney General

[Chapter 30, Laws 1917]

STATE PRINTING PLANT OLYMPIA, WASH.

A-1

TOPICAL INDEX

A-2

Preface

As directed by the State Constitution, the office of Secretary of State is presenting herewith a copy of all measures which will head the November 7th State General Election Ballot.

We urge the voters to carefully study these measures to the end that a vote will be cast either for or against each measure on November 7th. Each voter can express his choice on every measure, irrespective of the fact that some of the proposals may appear to be in conflict. The propositions are voted upon as individual units and the voter can freely mark his preference as each measure is considered.

How you vote on one measure in no way limits your preference on the remaining measures.

Arguments For or Against the Measures

The arguments appearing in this pamphlet either for or against the measures can be filed by any person or organization. However, the law provides that each sponsor must remit sufficient funds to guarantee the cost to the State for printing same.

This year, upon advice of the State Printer, the sum of $625.00 was required as a guarantee deposit for printing each single page argument. Twice this amount, or $1,250.00 was required for a two-page argument.

State law further provides that the maximum of only **two** arguments can appear **in favor** of one measure—while the maximum of **three** arguments can appear **against** any one measure. One argument cannot exceed two printed pages in length.

Because of the cost of printing arguments must be paid for by the sponsors of same—arguments were not filed on all the measures. Further, we wish the voters to fully understand that the office of Secretary of State has no authority to edit the material submitted other than the arguments must not contain any obscene or libelous matter, or any language the circulation of which through the mails is prohibited by any act of Congress.

You, as a responsible citizen, are urged to read this leaflet so that you can intelligently express yourself on these measures when you mark your ballot on November 7th. A simple favorable majority will make any of these measures effective law on December 7, 1950—on the thirtieth day following the State General Election.

If any citizen of the State or public spirited organizations wish additional copies of this pamphlet—do not hesitate to write to my office at Olympia.

Earl Coe

EARL COE
Secretary of State

A-3

TABLE OF CONTENTS

A-4

Initiative Measure No. 176

BALLOT TITLE

AN ACT increasing to sixty-five dollars ($65.00) monthly the minimum grant to certain categories of public assistance, otherwise extending the Social Security program, and making an appropriation.

Be it enacted by the People of the State of Washington:

SECTION 1. *Title.* This act shall be known and may be cited as the "Freedom From Want Act of 1950."

SEC. 2. *Declaration of Intent.* The people of the state of Washington hereby declare their intent to aid in abolishing the specters of insecurity, hunger and pauperization which, tragically and unnecessarily, are haunting larger and larger sections of the people, by enacting a social security measure establishing minimum standards of assistance for the Senior Citizens, the Blind, the Dependent Children and their mothers, the physically handicapped and the destitute unemployed men and women of our state.

The people of the state of Washington have long recognized their responsibility to provide for the Senior Citizens, who are its pioneers and who have devoted their productive years to useful service, whose labor and toil created the wealth of our state, and who are in need, and hereby express their appreciation not only of the needs of the Senior Citizens, but also of the Senior Citizens' right to look forward to an old age of peace, honor and dignity.

The long established policy of providing for the Blind who are in need on at least as liberal a basis as for the Senior Citizens is hereby reaffirmed.

In providing minimum standards of assistance and other services for Dependent Children and their mothers, the people of the State of Washington recognize that the protection of youth begins with security. In the words of the official Bulletin of the Federal Security Agency: "Our children constitute our Country's most important resource." It is the intent of this act that Washington shall once again lead the nation in providing adequate safeguards for the care and protection of our children.

In the establishment of medical care in the sound tradition of free choice of doctor and dentist, the state of Washington is the foremost pioneer, and it is the purpose of this act to continue and improve this program. Again in the words of the Federal Security Agency Bulletin: "An adequate program of medical care can reduce or minimize dependency and disability and aid in enabling many persons to gain a self-supporting status."

It is the intent of the people of Washington that the needs of unemployed workers shall be met principally by measures to provide full time jobs at trade union rates of pay and through liberalizing earned unemployment compensation laws, and to prohibit work relief or forced labor. However, when jobs are unavailable and employment compensation benefits are inadequate or exhausted, it is the intent of this measure to provide as a state responsibility minimum standards of assistance for the unemployed whose needs are not fully met by unemployment compensation.

It is the intent of the people of the state of Washington that no section of our citizenry shall be forced to remain destitute in the midst of the demonstrated capacity of American labor, industry and agriculture to provide abundance for all and at a time when corporate profits have reached unprecedented heights. When governments are made to realize that the strength of the nation is inseparable from the well being of the people and when governments compete with one another to increase the welfare of their citizens rather than the size of their armaments, then the security which flows from freedom from fear and freedom from want will be achieved.

A-5

The people of the state of Washington are proud of their preeminence in this endeavor and hereby petition Congress to enact an expanded national social security program including:

(1) Full time jobs at useful work for all who are able-bodied.
(2) A national pension of at least $100.00 a month paid on the basis of right not need for the Senior Citizens and the Blind.
(3) Matching funds at least equal in amount to those provided by the state for the Aid to Dependent Children program, General Assistance, and the medical-dental care program.

SEC. 3. *Definitions.* For the purpose of this act and other acts relating to public assistance, the following words shall have the meaning herein assigned, unless the context clearly indicates that a different meaning should be applicable.

(a) "Applicant" shall mean any person applying for a grant under the provisions of this act.
(b) "Recipient" shall mean any person receiving a grant.
(c) "Grant" or "Senior Citizen Grant" shall mean the funds, federal and state, made available to recipients under the terms of this act.
(d) "Senior Citizen" shall mean a person eligible for a grant under the terms of Section 4 of this act, but shall not be construed as limiting eligibility to citizens of the United States.
(e) "Appellant" shall mean any applicant or recipient who is taking any procedural step permitted in Sections 8 or 9 of this act.
(f) "Department" shall mean the Department of Social Security and shall include any authorized person or agency of the Department.
(g) "Director" shall mean the administrative head of the Department, and shall include any person appointed by the director to conduct a hearing pursuant to Section 8 of this act.
(h) "Income" shall mean net income in cash or kind available to applicant or recipient, the receipt of which is regular and predictable enough to afford security in that applicant or recipient may rely upon it to contribute appreciably toward meeting his needs; *Provided*, that to the extend that the Federal Social Security Act is amended to permit it, earnings in the amount of $300.00 or less annually shall not be considered income.
(i) "Resources" shall mean any asset which may be applied toward meeting the needs of an applicant or recipient, including real and personal property holdings, contributing toward the maintenance of the applicant or recipient or representing investments or savings which may be drawn upon for maintenance purposes, *Provided:*
  (1) That any applicant may possess insurance policies, the cash surrender value of which does not exceed $500.00; cash or its equivalent not to exceed $200.00; personal effects, clothing, furniture, household equipment, and a motor vehicle, without being declared ineligible by reason thereof and without being required to draw thereon for maintenance purposes.
  (2) That ownership or possession of a home, homestead or place of residence of applicant or recipient or his family shall not render such applicant or recipient ineligible to receive a grant. Such recipient shall not become ineligible to receive a grant by reason of such ownership or possession of home, homestead or place of residence while he is absent therefrom and is confined to nursing home, hospital, or place of refuge because of the condition of his health.
  (3) Proceeds from the sale or exchange of the resources exempted in subsections (i) (1) and (2) of this section, to the extent that such proceeds are used within ninety days for the purchase of other exempt resources, shall not render applicant or recipient ineligible for a grant.

A-6

(4) That the ability of relatives or friends of the applicant or recipient to contribute to the support of applicant or recipient shall not be considered a resource.

(5) That in determining the income equivalent or the gross value of the use or occupancy by a recipient of a home of which recipient is the owner or purchaser, the gross value assigned to such use value shall not exceed the sum of $10.00 a month, regardless of the number of persons living in or owning such home; and in determining the grant of such recipient the actual monthly cost of of occupancy and maintenance, including taxes, assessments, insurance, home repair and upkeep, shall be offset against the $10.00 monthly gross use value.

(j) "Committee" shall mean the Social Security Committee.

(k) "Federal-Aid Assistance" shall mean the specific categories of assistance for which provision is made in the Federal Social Security Act, and any other category for which the federal government may hereafter provide matching funds.

(l) "General Assistance" shall mean assistance and/or service of any character provided to persons in need not otherwise provided for.

(m) The term "public assistance" shall mean and include federal-aid assistance and general assistance.

(n) "Grants-in-Aid" shall mean an allocation of public funds by the state to counties for public assistance purposes.

(o) "Blind Grants" and "Aid to Blind Grants" shall mean assistance given to blind persons who are eligible for such assistance under the provisions of this act or any other act relating to assistance for blind persons, excluding those blind persons who are provided for in Chapter 166, Laws of 1949.

SEC. 4. *Eligibility.* A Senior Citizen grant shall be awarded to any person who:

(a) Has attained the age of sixty-five years or is the dependent spouse of a person who has attained the age of sixty-five years, and

(b) Has been a resident of the state of Washington for at least five years within the last ten, and

(c) Is not an inmate of a public institution of a custodial, correctional or curative character: *Provided*, that this shall not prevent the Department from paying a grant to meet the incidental and personal needs of a Senior Citizen who is an inmate of a county hospital or infirmary, and

(d) Has not made a voluntary assignment, or transfer of property or cash for the purpose of qualifying for a Senior Citizen grant, and

(e) Is in need: for the purpose of this act a person shall be considered to be in need who does not have income and resources sufficient to provide himself and dependents with food, clothing, shelter and such other items as are necessary to afford a reasonable subsistence in accordance with the minimum standards established by the Department persuant to the budgetary guide provisions of Section 5(a) (1) of this act, which shall assure to each applicant or recipient of a Senior Citizen grant, a standard of living of not less than sixty-five ($65.00) dollars per month.

SEC. 5. *How and When Grants shall Be Paid.* Grants shall be awarded on a uniform state-wide basis:

(a) To each eligible applicant or recipient for the purpose of meeting such of his needs as are not otherwise provided for, *Provided:*

(1) That such grant when added to his income shall equal not less than sixty-five ($65.00) dollars per month. In order to determine a Senior Citizen's need, the department shall establish objective budgetary guides based upon actual living cost studies of

A-7

the items of the budget. Such living cost studies shall be renewed or revised not oftener than once a year, and whenever there is a change of five per cent (5%) or more in the cost of all items of the budget such change shall be reflected in the determination of the budgetary guide. Such standards shall include the sum of not less than one ($1.00) dollar per day for food for each eligible Senior Citizen whether living alone or in a joint living arrangement and shall include the cost of such other basic items as clothing, personal incidentals, household supplies, fuel, light, water and other utilities and an allowance in each grant for transportation needs, and an allowance for telephone upon the request of the recipient, and shall include an allowance for laundry and dry cleaning and refrigeration needs, unless in individual cases the Department establishes that such needs do not exist;

(2) That each Senior Citizen, whether living alone or in some joint living arrangement, found to be without resources and income shall receive a grant of not less than sixty-five ($65.00) dollars per month;

(3) That upon any determination or redetermination of the needs of any applicant or recipient, the Department shall inform in writing such Senior Citizen of the amount of the grant and the basis upon which it is determined;

(4) That upon approval of an application, the grant shall be paid as of the date of application, except that in the case of an applicant not yet sixty-five, such applicant may apply thirty days in advance of reaching his sixty-fifth birthday, and if found eligible his grant shall be paid commencing on his sixty-fifth birthday.

(b) If the federal government lowers the age limit at which matching funds will be granted for Senior Citizen grants, the state shall award Senior Citizen grants to persons of that age on the same conditions and terms as set out in the rest of this act for Senior Citizens over sixty-five years of age.

(c) If the federal government increases or establishes matching funds for any public assistance program, the Department shall take full advantage of any such increases in the payment of grants.

(d) To each Senior Citizen in a county hospital or infirmary whose general subsistence is provided for, the department shall award a grant to meet his needs of a personal or incidental character.

SEC. 6. *Applications.* Applications for a grant shall be made to an authorized agency of the department by the applicant or by another in his behalf; shall be reduced to writing upon standard forms prescribed by the department; and a copy of the application upon such standard form shall be given to each applicant at the time of making application. An inmate of any public institution may apply for a grant while in such institution, and except as otherwise provided in subsection (d) of Section 5, shall, if found otherwise eligible, be awarded a grant as of the date of his leaving such institution.

SEC. 7. *Investigation.* Whenever the department or an authorized agency thereof receives an application for a grant, an investigation and record shall be promptly made of the facts supporting the application. The department shall be required to approve or deny the application within thirty days after the filing thereof and shall immediately notify the applicant in writing of its decision; *Provided,* that if the department is not able within thirty days, despite due diligence, to secure all information necessary to establish his eligi-

A-8

bility, the department is charged to continue to secure such information, and if such information, when established, makes the applicant eligible, the department shall pay his grant from date of application.

SEC. 8. *Fair Hearings.* If any applicant or recipient is aggrieved or dissatisfied by any action of the department affecting his application, grant or any other services provided in this act, he shall have the right to a review of such action in the manner provided in this section:

(a) The appellant shall be deemed to have received notice of a decision of the department three (3) days after the date when the department mails written notice of such decision to him, or on the date when he receives any assistance from the department pursuant to such decision, whichever is the later.

Within sixty (60) days after receiving notice of a decision of the department in his own case which appellant believes to be erroneous or unlawful, he shall have the right to give notice of appeal therefrom to the director. Such notice may be sent by ordinary mail. Within thirty (30) days after receiving the notice of appeal, the director or a hearing examiner appointed for such purpose, shall conduct a fair hearing on the appeal in the county of appellant's residence, unless another place of hearing is requested by appellant or his authorized representative. Notice of the time and place of the hearing shall be mailed by the director to the appellant and his authorized representative at least five (5) days before the date of the hearing. A transcript of the evidence received and testimony taken at the hearing shall be made and furnished without cost to the appellant.

The director shall decide the appeal within thirty (30) days after the date of the hearing, and shall mail a copy of his decision and of the transcript of the fair hearing to the appellant and his authorized representative.

(b) An appeal may be taken at any time from any one or more of the rules and regulations of the department which appellant believes to be unlawful, arbitrary, capricious or void. When such appeal is taken appellant, either individually or together with other persons similarly affected, shall give notice of appeal to the director by registered mail or personal service. In such notice he shall specify which of the rules and regulations he believes to be objectionable, the reason for such objection, and the manner in which his application or grant is affected. If matters of fact are required to be determined in connection with such appeal, the appellant may specify what he believes the facts to be as a part of his notice of appeal. The director may accept appellant's statement of the facts, or he shall forthwith give notice of time and place of hearing, not more than ten (10) days from the date of receipt of notice of appeal, at which the appellant and the department shall have opportunity to produce evidence for the record. Appellant and the director may agree to an extension of time for such hearing.

Unless an extension of time is agreed to, the director shall decide the appeal within fifteen (15) days after receipt of notice of appeal.

(c) If the director fails to decide any appeal within the time specified in this section, such failure, at the option of the appellant may be deemed an adverse decision from which an appeal to the superior court may be taken in the time and manner provided in Section 9 hereof.

(d) Appellant or his authorized representative shall have right of access to the files of the department in the case on appeal, and shall have the right to examine such files.

SEC. 9. *Court Appeals.* The actions and decisions of the director shall be subject to review by the superior courts and by the supreme court,

A-9

in the manner provided in this section.

(a) If an appellant is aggrieved or dissatisfied by any decision of the director he shall have the right to appeal the decision to the superior court of the county of his legal residence. The appeal shall be taken by notice filed with the clerk of the court, and served upon the director, within sixty (60) days after appellant receives the decision. The mailing of the notice of appeal to the director by registered mail shall be sufficient service.

(b) Within ten (10) days after the receipt of appellant's notice of appeal, the director shall file with the clerk of the superior court his decision and the complete record of the case on appeal. No further pleadings shall be necessary to bring the case to issue, and the clerk shall immediately docket the case for trial.

(c) If the appeal is taken from a decision of the director made, or required under the provisions of Section 8(b) of this act, the court shall, upon showing by appellants of reasonable necessity therefor, at any time after the appeal is taken, order the director to show cause, at such time and place as may be fixed by the court pursuant to its rules, why the objectionable rules and regulations should not be set aside.

(d) The court shall decide the case on the record. If the court finds that additional testimony should be taken to complete the record, it shall direct the taking of such additional testimony before the director, who may modify his decision, if warranted in so doing by the additional testimony. The findings of the director as to matters of fact shall be conclusive, unless such findings are not supported by the record. The court may affirm the decision of the director, or may modify or reverse such decision when the director has acted erroneously, unlawfully, arbitrarily or capriciously, and remand the matter to the director for further proceedings in conformity with the court's decision, and in any case where the decision affects the rights of any class or category of recipients or applicants, each member of the class or category shall be entitled to the benefit of the decision to the same extent as if he were an appellant in his individual case.

(e) Any party may appeal from the decision of the superior court to the supreme court in the manner provided by law.

(f) Any one or more appellants who have appealed to the director under the provisions of section 8(b) of this act shall have the right to apply directly to the supreme court for relief against rules and regulations which affect the general administration of public assistance, or any category thereof. Such application shall be filed in conformity with the rules of the supreme court relating to original writs, and the governor and his director of social security shall be made respondents in such proceedings. Upon the filing of such application, the supreme court shall speedily hear and decide the issues involved, and, in conformity with Article 4, Section 2 of the constitution of the state of Washington, shall state in writing the grounds of the decision.

(g) The remedies herein provided shall not be deemed to be exclusive, nor to limit the right of any one or more applicants or recipients to apply to any court for any other, further or different relief.

(h) No filing fee or other fees shall be collected, nor any bond required, in connection with any appeal under this act. In the event that either the superior court or the supreme court renders a decision in favor of the appellant, he shall be awarded reasonable attorney's fees and costs to be paid by the department out of funds appropriated by the legislature for administrative expenses. If any decision is made in favor of an appellant, assistance shall be paid from the date of application or if appellant is a recipient, from the effective date of the department's

A-10

decision from which he has appealed.

(l) A copy of each opinion of the supreme court, relating to the administration of this act, or construing its terms or provisions, shall be mailed by the director to each recipient within thirty (30) days after it is rendered

SEC. 10. *Rules and Regulations.* The department is hereby authorized to make rules and regulations not inconsistent with the provisions of this act to the end that this act shall be administered uniformly throughout the state, and that the spirit and purpose of this act may be complied with. All staff manual provisions, administrative directives, departmental procedures and practices, which in any way affect the amount, method of determination, time, place, or manner of receipt of any grant or services, or the eligibility, or manner of determining the eligibility of any applicant or recipient, shall be filed by the Department with the Secretary of State, as the rules and regulations of the department. Such rules and regulations shall be filed with the Secretary of State thirty (30) days before their effective date, and shall be available to the public on request. All other memoranda or directives of the department to the county welfare departments or the personnel thereof shall be filed with the Secretary of State and open to public inspection.

The State Social Security Committee shall review said rules and regulations before they are filed with the Secretary of State, and the governor shall affix his signature thereto before said filing.

SEC. 11. *Age and Length of Residence Verification.* Proof of age and length of residence in the state of any applicant may be established as provided by the rules and regulations of the department; *Provided* that if an applicant is unable to establish proof of age or length of residence in the state by any other method, he may make a statement under oath, of his age on the date of application, or on the length of residence in the state, before any judge of the superior court or any justice of the supreme court of the state of Washington, and such statement shall constitute sufficient proof of age of applicant or of length of residence in the state; *Provided*, however that any applicant who shall wilfully make a false statement as to his age or length of residence in the state under oath before a judge of the superior court or a justice of the supreme court, as provided above, shall be guilty of a felony.

SEC. 12. *Liens on Property Prohibited.* Senior Citizen grants or medical care or other services awarded to a recipient under the public assistance laws of the state of Washington shall not be recoverable as a debt due the state, except where such funds have been received by the recipient contrary to law, or by fraud or deceit.

SEC. 13. *Funeral Expenses.* Upon the death of any recipient under this act, funeral expenses in the sum of $100.00 shall be paid by the department toward the total cost of the funeral.

SEC. 14. A copy of all laws relating to the application and granting of Senior Citizen grants shall be given to each applicant when he applies.

SEC. 15. *Additional Care.* In addition to Senior Citizen grants, each recipient who is in need of medical and dental and other care to restore his health shall receive:

(a) Medical and dental care by a practitioner of any of the healing arts licensed by the state of Washington of recipient's own choice

(b) Nursing care in applicant's home and hospital care as prescribed by applicant's doctor, and ambulance service.

(c) Medicine, drugs, optical supplies, glasses, medical and pharmaceutical supplies, artificial limbs, hearing aids, dentures, and other appliances prescribed as necessary;

Provided, that when federal matching funds become available for this program, it shall be the duty of the state to accept such matching funds. Until such time this section shall be financed from state and county funds.

SEC. 16. The provisions of this act shall apply in other categories of

A-11

public assistance in the following manner:

(a) The provisions of sections 5(a)-(3), 5(c), 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 shall apply equally in all categories of public assistance;

(b) The provisions of Section 3(h) shall apply to all categories of public assistance, excepting that the *Proviso* thereto shall not apply to general assistance;

(c) The provisions of Section 4(b), (c), (d), and (e), and Section 5(a)(1), (2), and (3) and Section 5(c) and (d) of this act shall apply in determining eligibility for and the amount of Aid to Blind grants;

(d) The provisions of Section 3(i) shall apply to all categories of public assistance, excepting that the exemption of $200.00 in cash or its equivalent contained in subsection 3(i)(1) shall not apply to general assistance;

(e) Section 4(e) and Section 5(a)(1) shall apply to applicants for and recipients of, grants of Aid to Dependent Children and General Assistance to the following limited extent:

(1) In determining need and computing the amount of grants the same standards of needs and budgetary standards of assistance established in Section 5(a)(1) for shelter, clothing, personal incidentals, household supplies, fuel, light, water and other utilities, shall be used; and the department shall provide for other needs in special cases; the provisions of section 5(a)(1) establishing minimum standards of $1.00 a day for food shall apply to adults;

(2) Grants to two or more recipients who have joint living arrangements may be computed on a family basis; and

(3) Nothing herein shall be construed as establishing a minimum monthly grant of $65.00 for each recipient to Aid to Dependent Children or General Assistance;

(f) The department shall establish residence requirements for General Assistance, but in no event shall the department impose a requirement of longer than one year's residence in the state, and shall have the power and is hereby instructed to make special provisions for emergency cases where the applicant for General Assistance has less than one year's residence.

SEC. 17.

(a) It is hereby declared to be the intent of the people of the state of Washington to take the fullest possible advantage of the provisions of the Federal Social Security Act to provide grants and other assistance to Senior Citizens, and others covered by this act, as liberally as is consistent with receiving matching funds under the terms of the Federal Social Security Act.

(b) If any portion, section or clause of this act shall be declared or found to be invalid by any court of competent jurisdiction, such adjudication shall not affect the remainder of this act. If any plan of administration of this act submitted to the Federal Security Agency shall be found to be not in conformity with the Federal Social Security Act by reason of any conflict between any section, portion, clause or part of this act and the Federal Social Security Act, such conflicting section, portion, clause or part of this act is hereby declared to be inoperative to the extent that it is so in conflict, and such finding or determination shall not affect the remainder of this act.

SEC. 18. *Codification of Public Assistance Laws.* It is the intent of the people of the state of Washington in enacting this measure that all laws of the state relating to public assistance, including this act, shall be codified to eliminate duplication, provide uniformity and otherwise simplify such laws, and the enactment of this measure shall not be construed

A-12

to prohibit the rearranging, renumbering or otherwise changing the order or form of this act without changing the substance thereof.

SEC. 19. The legislature shall appropriate sufficient funds to carry out the purposes of this act, and to pay grants in the amount provided for herein, and the department shall expend such appropriation in the manner and on the basis provided in this act; and no provision of Chapter 196, Laws of 1941, or of Chapter 6, Laws of 1925, or of Section 8, Chapter 216, Laws of 1939, or of any other law, shall be construed to permit the department to make ratable reductions from such grants.

SEC. 20. *Meetings of Social Security Committee.* The Social Security Committee shall hold a meeting at least every quarter at which the public shall have an opportunity to be heard on matters relating to the administration of this law and to the administration of the social security laws of this state generally.

SEC. 21. *Surplus Commodities.* The director is hereby empowered and directed to acquire and distribute through the county welfare departments surplus commodities available through agencies of the federal and state governments, *Provided*, that such commodities shall not be used as a substitute for any part of the cash grants provided in this act, but solely to supplement the standard of living provided through the cash grants.

SEC. 22. The following being in conflict with this act, are hereby repealed: Section 1, Chapter 216, Laws of 1939, as amended by Section 1, Chapter 289, Laws of 1947; Section 16, Chapter 216, Laws of 1939; Section 7, Chapter 170, Laws of 1941; and Sections 30, 31, 32, 33 and 34, Chapter 216, Laws of 1939; and all other acts or parts of acts in conflict herewith are also hereby repealed.

SEC. 23. The effective date of this act shall be January 1, 1951, and grants payable hereunder shall be paid as of January 1, 1951.

SEC. 24. *Confidential Nature of Information.* All files and records of the department concerning any applicant or recipient shall be confidential and shall not be open to inspection or examination by any person, or agency of the state or United States government, excepting the employees of the department or representatives of the Federal Security Agency in connection with their official duties directly related to the administration of public assistance; and such records shall not be subject to subpoena or other legal process by any court, or department of government, excepting in a criminal or civil action against a recipient or applicant for obtaining or attempting to obtain assistance by fraud, or contrary to law; *Provided*, nothing herein shall be construed to limit the rights of any appellant, or his authorized representative, as provided in sections 8 and 9 of this act.

SEC. 25. In order to provide for the operation of this act until such time as the legislature shall have had an opportunity to make an adequate appropriation, there is hereby appropropriated for the remainder of the biennium the sum of six million, five hundred thousand ($6,500,000.00) dollars, or so much thereof as may be necessary, from the general fund.

STATE OF WASHINGTON—ss.
Filed in the office of the Secretary of State April 20, 1950.
EARL COE,
Secretary of State.

A-13

ARGUMENT FOR INITIATIVE MEASURE NO. 176

Dear Fellow Citizen:

This November you will have your choice of two initiatives, 176 or Langlie's 178.

The major purpose of 176 is to stop the cuts in the grants to Senior Citizens, dependent children, the physically handicapped and others made by the Langlie administration, and to add $5.00 a month to the minimum grants in order to meet the rising cost of living.

The major purpose of 178, on the other hand, is to destroy nearly all of the social security guarantees that have been won by the people in the last ten years—and to make savage slashes in the old age pensions and other categories.

(1) 176 raises the present minimum grant of $60 a month to $65 for the Senior Citizens and the Blind. 178 destroys the present $60 floor. Under 178 the Senior Citizens would have no legal rights to a pension in any amount; they would be at the mercy of the Director of the Department.

(2) 176 continues the prohibition now in the law which prevents the Department from forcing sons and daughters and other relatives to support the Senior Citizens. 178 repeals this prohibition.

(3) 176 permits a recipient to own his home, car, and personal belongings without interference and without any lien being taken against his property. 178 empowers the Department to set "ceiling" or "maximum" values on a Senior Citizen's home, his car, and on all his personal belongings. If a Pensioner—or other recipient—has a home, car, or belongings exceeding the maximums set by the Director, he will be cut off the pension rolls until he sells them and lives up the proceeds. **This is a "living lien law!"**

(4) 176 continues the fine program of free choice of doctor and dentist and other medical services that has lengthened the lives of the Senior Citizens and the Blind. 178 repeals this program and makes possible a return to the "out-patient" program at county hospitals. Initiative 176 does not look upon our Senior Citizens and the prolongation of their lives as a "Waste"—as Langlie's measure does.

(5) Under 176 once a Senior Citizen's need is established he will receive the full amount to meet those needs each month. Under 178, which legalizes percentage cuts, a Senior Citizen or other recipient would never know from one month to the next what the size of his grant would be.

176 is a test of our willingness to spend for peaceful purposes for the benefit of our own people who are in need. Langlie's 178 is a product of the "cold war," which is costing our state and nation billions every single month. 178's philosophy is based upon spending an ever increasing share of our state's resources for armaments—**for which the money is always found**—and cutting drastically the share going for the needs of the elderly, the blind, the dependent children, the handicapped.

Your vote **for** 176 and **against** 178 are votes for peace and for continued pension progress in our own state and nation. They are votes against war and impoverishment of the people. REMEMBER—100% of all pensions, aid to dependent children, general assistance and blind grants **goes back** into the channels of business in our state within 30 days, benefiting labor, the farmer, the merchant—unlike expenditures for vast armaments, which mean principally profits for the corporations.

DON'T FORGET—You have TWO VOTES ON THESE TWO INITIATIVES. BE SURE TO READ BOTH IN THEIR ENTIRETY—THEN WE KNOW YOU'LL CAST ONE VOTE **FOR** 176 AND ONE **AGAINST** 178.

For more information write to

WASHINGTON PENSION UNION,
610 Eitel Building,
Seattle 1, Washington.

STATE OF WASHINGTON—ss.
Filed in the office of the Secretary of State July 22, 1950.

EARL COE
Secretary of State.

A-14

ARGUMENT AGAINST INITIATIVE MEASURE NO. 176

You now Face the Threat of State Bankruptcy — or Oppressive New Taxes

Washington state is virtually bankrupt now. This is largely due to wasteful spending under Initiative 172—the present welfare law.

Initiative 176—backed by the same forces who "put over" Initiative 172—is designed to aggravate and continue this waste.

Under the present welfare law the state has plunged from a $32 million surplus in 1948 to a deficit upwards of $50 million. A special session of the legislature was required for the sole purpose of increasing all-time record welfare appropriations by an additional $16 million. Even this will not be enough, say the backers of Initiatives 172 and 176.

WELFARE COSTS MORE THAN SALES TAX RETURNS

Your state of Washington now is spending at a rate of $9,250,000 a month for public welfare alone. That is **ALMOST HALF AGAIN AS MUCH AS PRESENT SALES TAX RECEIPTS.** It accounts for nearly half of all general fund expenditures. It is money needed by schools and other institutions.

But, Initiative 176 would increase this outlay by at least **ANOTHER MILLION DOLLARS PER MONTH.**

In addition, Initiative 176 would:

(a) Tie the hands of the legislature and the courts for at least another two years in alleviating this chaotic state of spending.

(b) Raise present **artificial** minimum standards counter to the spirit of the federal law governing "matching funds" which provides that assistance be based upon "need."

(c) Breed **idleness and contempt** for the American way of life by encouraging people to accept relief **more liberal** than their working, tax-paying neighbors **can earn.** This situation that occurs under the present Initiative 172 would be aggravated under Initiative 176.

In brief, Initiative 176 would hasten the bankruptcy of the state—well started under Initiative 172, OR bring on new, oppressive taxes. This, at a time when the federal government requires all that the economy can bear to meet an international crisis.

New demands by Initiative 176 would be squarely in line with the **SOVIET** policy of compelling us to spend ourselves to destruction.

Whatever their motives, the sponsors of Initiative 176 are the same who demanded that "we get the Yanks out of Korea." They have circulated the so-called Stockholm "Peace" petition that follows the Moscow party line to outlaw "aggression," NOT on **U. S.** but on **RUSSIAN** terms. They have consistently echoed the Kremlin line. If you have any doubt of this, read the last three paragraphs of the **sponsor's own argument** calling for "peace" and pensions INSTEAD of the arms so desperately needed in Korea and elsewhere.

VOTE AGAINST 176

Americans, don't be fooled again! Vote **AGAINST** Initiative 176.

Make no mistake! The issue is whether we are to have a welfare law designed to serve the needs of our own **aged, blind and needy** people —or to serve the designs of the **Supreme Soviet at Moscow.**

Do not be confused! Only one measure on your ballot is designed to **CORRECT** the present abuses of public welfare. That is Initiative 178, presented elsewhere in this pamphlet.

Initiative 176 would, on the contrary, aggravate and prolong the present mess to the point of bankruptcy, chaos and oppressive new taxation.

For **YOUR** Freedom—and Freedom from Waste!
Vote: **FOR** Initiative 178
Vote: **AGAINST** Initiative 176

*Remember—Vote **AGAINST** Initiative 176

WASHINGTON STATE TAXPAYERS ASSOCIATION
By Daniel L. Hill
Acting Director

STATE OF WASHINGTON—ss.
Filed in the office of the Secretary of State August 1, 1950.

EARL COE,
Secretary of State.

A-15

Initiative Measure No. 178

BALLOT TITLE

AN ACT modifying the Citizens Security Act of 1948 (Initiative Measure No. 172) and transferring the public assistance medical program to the Department of Health.

"AN ACT relating to public assistance; defining terms; fixing standards to govern grants of assistance; prescribing qualifications for eligibility to receive assistance; specifying the powers and duties of the Department of Social Security and the Department of Health in relation thereto; creating a Council of Medical Service and defining its powers and duties; amending Sections 3, 4, 5, 15 and 16, Chapter 6, Laws of 1949, and further amending said Chapter 6, Laws of 1949, by adding thereto a new section to be designated Section 3-a."

Be it enacted by the People of the State of Washington:

SECTION 1. This act shall be known as the "Citizens' Public Assistance Act of 1950."

SEC. 2. It is the purpose and intent of this act to provide for the public welfare by making available, in conjunction with federal matching funds, such public assistance as is necessary to insure to recipients thereof a reasonable subsistence compatible with decency and health. This act recognizes that there are possibilities of serious abuses of such a program whereby those least deserving of public aid will benefit at the expense of the deserving, and of the state and its political subdivisions, and it is intended hereby to make possible sufficient administrative control of the program of assistance to curb or at least minimize such abuses without at the same time depriving qualified applicants and recipients of the assistance to which they are rightfully entitled.

SEC. 3. Section 3, Chapter 6, Laws of 1949, is amended to read as follows:

Section 3. For the purposes of this act unless the context indicates otherwise, the following definitions shall apply:

(a) *"Department"*—The Department of Social Security.

(b) *"Applicant"*—Any person who has made a request, or on behalf of whom a request has been made, to any county welfare department for assistance.

(c) *"Recipient"*—Any person receiving assistance or currently approved to receive assistance at any future date.

(d) *"Income"*—Net income in cash or kind available to an applicant or recipient, the receipt of which is regular and predictable enough that an applicant or recipient may rely upon it to contribute appreciably toward meeting his needs.

(e) *"Need"*—The amount by which the requirements of an individual for himself and the dependent members of his family, as measured by the standards of the department, exceed all income and resources available to such individual in meeting such requirements.

(f) *"Resource"*—Any asset, tangible or intangible, which can be applied toward meeting an applicant's or recipient's need, either directly or by conversion into money or its equivalent: *Provided*, That the following described assets shall not be considered as a resource available to meet need during such time as they are used by an applicant or recipient in the manner and form as follows:

(1) The home as defined in Section 3-a hereof.

(2) Personal property and belongings as defined in Section 3-a hereof.

(3) Household furnishings and personal clothing used and useful to the person.

(4) An automobile or other form of conveyance if such conveyance is necessary to an appli-

A-16

cant or recipient because of a lack of, or an inability to use, public transportation. The department shall have the right by rule and regulations to fix a maximum value on such conveyance.

(5) Cash of not to exceed two hundred dollars for a single person or four hundred dollars for a family unit, or marketable securities of such value.

(6) Life insurance having a cash surrender value not in excess of five hundred dollars for a single person or one thousand dollars for a family unit: *Provided*, that this maximum allowance shall be decreased by the amount of cash held by the person or the family unit under item 5 above.

SEC. 4. Chapter 6, Laws of 1949, is amended by adding thereto after Section 3 a new section, numbered Section 3-a, as follows:

Section 3-a. No property, either real or personal shall be considered exempt per se, but shall be treated as exempt from consideration as an available resource only during such time and under such conditions as are hereinafter set forth:

(a) *"Home"*—Real property owned and used by an applicant or recipient as a place of residence, together with a reasonable amount of property surrounding and contiguous thereto. Whenever a recipient shall cease to use such property for residential purposes, either by himself or his dependents, the property shall be considered a resource which can be made available to meet need. If the person or his dependents absent themselves from the home for a consecutive period of ninety days such absence shall raise a presumption of abandonment.

(b) *"Personal Property and Belongings"*—Personal property or belongings which are used and useful to the applicant or recipient or which have great sentimental value. Whenever such person ceases to make use of or ceases to be able to make use of such personal property or belongings, the same shall be considered a resource available to meet need.

The department shall, by rule and regulation, fix maximum values for both a home as defined in paragraph (a) and the personal property and belongings as defined in paragraph (b); and shall also fix maximum units of personal property, regardless of value. If the reasonable value of such home property or personal property and belongings exceeds the maximum values so established or the unit value, then the person owning such property shall be deemed to have a resource available to meet his needs over and above the amount necessary for home ownership or ownership of personal property and belongings, or both, as established by the department, and which can be utilized toward meeting his need by investment, and it shall be deemed that such excess value is capable of producing an income to such person at a return of not less than four per cent per annum. In the computation of income and resources for the purpose of determining need, such person shall be charged with an annual income equal to four per cent of such excess valuation or the actual earnings therefrom, whichever is the greater.

The department shall also, by rule and regulation, fix ceiling values on both home property and personal property and belongings, and if any applicant for, or recipient of, public assistance possesses home property or personal property and belongings, or both, of a value in excess of such ceiling values, such person shall be ineligible for public assistance.

Value shall be the current fair market value, less liens and encumbrances of record.

Any recipient who shall voluntarily transfer a resource, whether exempt or not, shall be deemed to have available to meet his needs an amount equivalent to the quick sale value of such resources, in the event that the proceeds from such transfer are not re-invested in an exempt resource within a reasonable time. Whenever a resource has been transferred or assigned, it shall no longer be considered exempt, nor shall the proceeds from such transfer or assignment be considered exempt except as above provided.

A-17

Upon the transfer of an exempt resource and the re-investment of the proceeds thereof, the department shall not be bound to provide additional or prolonged assistance to meet additional shelter cost incurred by such re-investment except when the plan has been previously approved by the department.

SEC. 5. Section 4, Chapter 6, Laws of 1949. is amended to read as follows:

Section 4. An Old Age Assistance grant shall be awarded to any person who:

(a) Has attained the age of sixty-five and

(b) Has been a resident of the State of Washington for at least five years within the last ten, and

(c) Is not an inmate of a public institution of a custodial, correctional, or curative character: *Provided*, That this shall not prevent the department from paying a grant to meet the incidental and personal needs of a person who is an inmate of a county hospital or infirmary, and

(d) Has not made a voluntary assignment or transfer of property or cash for the purpose of qualifying for an Old Age Assistance grant, and

(e) Is in need.

SEC. 6. Section 5, Chapter 6, Laws of 1949, is amended to read as follows:

Section 5. Grants shall be awarded on a uniform statewide basis in accordance with standards of assistance established by the department. The department shall establish standards of assistance for Old Age Assistance, Aid to Dependent Children, Aid to the Blind, and General Assistance to Unemployable Persons which shall be used to determine an applicant's or recipient's living requirements and which shall include reasonable allowances for shelter, fuel, food, clothing, household maintenance and operation, personal maintenance, and necessary incidentals. The total dollar value of the assistance budget shall, under average conditions, be not less than sixty dollars per month for an individual living alone; but a recipient shall not receive a grant of sixty dollars or more unless his actual requirements amount to sixty dollars. Grants shall be paid in the amount of requirements less all available income and resources which can be applied by the recipient toward meeting need, including shelter.

In order to determine such standards of assistance the department shall establish objective budgetary guides based upon actual living cost studies of the items of the budget. Such living cost studies shall be renewed or revised at least semi-annually and new standards of assistance reflecting current living cost shall determine budgets of need.

The figure of sixty dollars shall be subject to revision in December of each year, in that the department shall adjust such figure either upward or downward in the amount of one dollar for each three full points of change upward or downward, respectively, occurring subsequent to the index for the month of December, 1950, in the Consumers' Price Index for moderate income families in the city of Seattle, Washington, issued by the Bureau of Labor Statistics of the United States Department of Labor, according to the latest available published statistics covering such index. Any indicated adjustment in standards shall become effective not later than April first of the succeeding year.

The standards of assistance shall take into account the economy of family living arrangements, and the department may, by rule and regulation, prescribe maximums for grants on the basis of the size and type of the household unit, which maximums shall be related to average family income in this state. For the establishment of such minimums the department shall make use of all available statistics of the U. S. Census Bureau, the U. S. Department of Labor, and other governmental or research agencies which relate to family income.

For General Assistance to Unemployed Employable Persons, the department shall establish standards of assistance based upon annual living cost studies and compatible with a minimum necessary for decent and healthful subsistence. Such standards shall permit the meeting of actual and emergent need on an individual basis.

A-18

SEC. 7. Section 15, Chapter 6, Laws of 1949, is amended to read as follows:

Section 15. (a) On and after the effective date of this amendatory act the State Department of Health shall be responsible for providing necessary medical, dental and related services to recipients of public assistance and other persons without income and resources sufficient to secure them. Eligibility for such medical service shall be established by the Department of Social Security.

In providing these services, it is hereby declared to be the intent of this act to carry out the following principles:

(1) Care shall be equivalent to accepted standards of medical and dental practice in the community where the eligible individual resides;

(2) In addition to meeting immediate and acute medical needs, shall provide or utilize available rehabilitation services as far as practicable, to restore or to maintain the individual's capacity for self-reliance;

(3) Shall develop and strengthen programs for prevention or early discovery of disease so as to maintain or restore the individual to the maximum of self-reliance;

(4) Shall make full use of all existing public and free facilities and services;

(5) Shall provide auxiliary services, including hospital and nursing care, ambulance service, drugs, medicines, hearing aids, optical supplies and other appliances in accordance with the plans of the Department of Health;

(6) Shall allow the individual as much freedom as practicable in selecting the type of practitioner best able to serve him and if said practitioner has agreed to conform to the rules and regulations prescribed by the State Board of Health;

(7) Individuals who are classified as unemployable shall be evaluated in terms of partial or complete rehabilitation so as to be self-sustaining insofar as practicable.

(b) The State Board of Health shall formulate policies, establish standards and rules and regulations to carry out the purposes of this act. Rules and regulations adopted shall be filed with the Secretary of State thirty days prior to their effective date and shall be available to the public at local health departments and the Department of Social Security.

(c) To assist and advise the State Board of Health in formulating policies, establishing standards and rules and regulations, there is hereby created a Council of Medical Service. Such council shall consist of twelve members and shall be representative of the major providers of medical services and are to be appointed by the Governor and serve at his pleasure.

The members of the council shall receive the statutory per diem and actual and necessary traveling expenses when engaged in the activities of the council. Such expenses, when approved by the Director of Health, shall be a charge against the administrative appropriation for this program.

The council shall meet jointly with the State Board of Health not less than once every four months and oftener if necessary upon the call of the chairman of the State Board of Health.

(d) The medical service program shall be administered by the Director of Health, and he may appoint an administrator and such other assistants, and provide for other necessary administrative needs as shall be necessary to carry out the purpose of this act, limited by funds made available by the legislature.

(e) The Department of Health, in providing medical services, shall have the right to procure them in whole or in any part through any one or any combination of the following methods:

(1) By contract with private individuals, organizations and groups;

(2) By the employment of a professional and technical staff;

(3) By a direct payment to vendors on a fee for service basis.

(f) Wherever practical, the Department of Health shall delegate the administration of the medical service program to local county or district

A-19

health departments, when it finds that their personnel, facilities, and services meet the standards established by the State Board of Health and the local health department agrees to comply.

The Director of Health shall be empowered, when he finds that a local health department cannot meet required standards, to form local medical service districts, when agreeable to the county or counties involved, for the purpose of carrying out the administration of the medical service program.

The local county or district shall determine the most effective and economical method or methods of providing medical services to eligible persons with the approval of the Director of Health.

(g) The local health officer shall have supervision over county hospitals and other public institutions utilized in providing medical service to the eligible persons.

The local health department shall make full use of public, free and voluntary facilities and services in the administration of this program;

(h) The medical service program shall be financed from funds appropriated to the Department of Health.

Money shall be made available to the counties or districts on a quarterly basis. Thirty days prior to the beginning of each quarter, the board of county commissioners shall submit a budget outlining the financial needs of the county or district health department or medical service district for the ensuing quarter. This shall be reviewed by the Director of Health and be altered or approved as he determines necessary to meet the department's or district's needs, taking into consideration available funds.

Each county and district shall operate within its quarterly approved budget unless the Director of Health determines that an emergency exists justifying an increased allotment.

The Director of Health shall allocate the total appropriation by legislature so that funds shall be available for the period designated.

(i) All existing records and equipment presently held by the Department of Social Security for the medical service program is transferred to and shall become the property of the Department of Health.

SEC. 8. Section 16, Chapter 6, Laws of 1949 is amended to read as follows:

Section 16. (a) The provisions of Sections 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15 shall apply equally in all categories of public assistance.

(b) The provisions of Sections 3, 3-a, and 4 (b), (c), (d), and (e) shall apply in determining eligibility for Aid to Blind assistance.

(c) The provisions of Sections 3 and 3-a shall apply in determining eligibility for Aid to Dependent Children assistance.

(d) The provisions of Sections 3 and 3-a shall apply in determining eligibility for General Assistance to unemployable persons.

(e) The provisions of Sections 3 (a), (b), (c), (d), and (e) shall apply in determining eligibility for General Assistance to unemployed employable persons and emergency General Assistance. In the determination of need of applicants for General Assistance to unemployed employable persons and emergency General Assistance, no resources shall be considered as exempt per se; but the department may, by rule and regulation, adopt standards which will permit the exemption of residential property and personal property and belongings from consideration as an available resource when such resources are determined to be essential to the applicant or recipient's restoration to independence.

(f) Any person who has been a resident of the State of Washington for one year and is in need as defined herein, shall be eligible for General Assistance: *Provided*, That nothing shall prevent the department from meeting the emergent need of persons who have less than one year's residence in the state, on an emergency basis.

(g) For the purposes of this act the definitions of unemployable persons and unemployed employable persons contained in Section 18, Chapter 216, Laws of 1939, shall apply.

SEC. 9. The legislature shall appropriate such funds as are necessary to carry out the purposes of this act;

A-20

Provided, That any appropriation which the legislature may make for the payment of Old Age Assistance grants shall be specifically earmarked for such purposes: *Provided further* That when it shall appear that funds available for the payment of assistance will not be sufficient to meet need in full for the balance of a biennium, the department may by rule and regulation put into effect rateable reductions in the amount of assistance to be paid for the ensuing quarter or quarters of such biennium, or such portion of any quarter as may be necessary Such reductions shall be based on determined need.

STATE OF WASHINGTON—ss.
Filed in the office of the Secretary of State, May 5, 1950
EARL COE,
Secretary of State.

A-21

ARGUMENT FOR INITIATIVE MEASURE NO. 178

Citizens, you have two votes on public welfare initiatives next November but if you want to keep wages high, business good and jobs plentiful, you have only one choice. Vote **FOR** *Initiative* **No. 178.** *Vote* **AGAINST** *Initiative* **No. 176.**

176—THE ROAD TO HIGHER TAXES, FEWER JOBS, STATE BANKRUPTCY

State finances are in a critical condition largely because of excessive public welfare expenditures now being made. The state is spending more than $50 million a year in excess of its income. If this condition continues it can only mean higher taxes and, as everyone knows, more taxes mean a slowing down of business, less take-home pay, fewer jobs. The burden falls heaviest on those who can least afford it. The worker pays out more and he has less opportunity to earn.

Initiative No. 176, sponsored by the same group which backed Initiative No. 172, would increase deficit spending and push taxes even higher by raising the amount of welfare grants and by breaking down still more the public's control over its own pocketbook. It would add almost $2 million per month to the millions we are already spending for public welfare. These millions must be taken out of your pocket or away from schools and other vital services.

178 IS FAIRPLAY FOR EVERYONE

Initiative No. 178 is common sense public welfare. It makes no drastic cuts in benefit payments. It continues to protect the appropriation for old age pensions. It retains a broad medical care program for all classes of welfare cases. But it provides the legal controls necessary to halt chiseling and to terminate the extravagances that are plunging the state into bankruptcy. It removes the arbitrary requirements which now force the state to make excessive and unnecessary payments. It encourages people to help themselves by removing the penalties of part-time employment, thus furthering the American tradition of independence.

Initiative No. 178 is not penny-pinching legislation. Do not be deceived by any statements made by its opponents. It contains no lien clause. It does not make relatives responsible for the care of members of their family who are in need. It does not require a public welfare recipient to sell his home or useful personal property. It does not repeal the present public welfare laws. It amends only those portions of existing law that are accountable for the wasteful practices that are endangering all citizens, even those who are now receiving public welfare benefits.

Initiative No. 178 is constructive public welfare legislation. It recognizes fully the responsibility of the state to provide for those in need. It establishes standards as generous as those of the present law. It leaves unchanged the basic conditions of eligibility. But it does not freeze all of these standards and conditions into an inflexible law that must be followed to the letter no matter what happens. It grants sufficient administrative discretion to permit the upward as well as downward revision of grants as circumstances warrant and appropriations require.

Initiative No. 178 is a welfare measure for the needy. It maintains grants at the highest practical level. It protects the old age pension program from outside encroachment. It safeguards all welfare programs from the hazard of state bankruptcy.

Initiative No. 178 is the Citizen's Public Welfare Measure. It fulfills his obligation to the needy. It protects schools and other institutions vital to him. But most of all it makes secure his own future by protecting his opportunity to work and earn. These Initiative 176 would destroy.

VOTE FOR INITIATIVE 178

Common-Sense Welfare Is Everybody's Business

CHARLES T. BATTIN, Chairman
Citizens' Public Assistance Committee

STATE OF WASHINGTON—ss.
Filed in the office of the Secretary of State July 22, 1950.

EARL COE,
Secretary of State

A-22

ARGUMENT AGAINST INITIATIVE MEASURE NO. 178.

Initiative No. 178 places at the disposal of the Director of the Department, without restriction, the entire appropriation made by the Legislature for welfare and Old Age Assistance.

There is no floor provided in 178 and the pensioner must take, without recourse, whatever the Director may choose to give. More vicious than the lien law of 1947, it contains the lien provision hidden and made applicable for collection by the Department, while the recipient is still living. It purports to place a ceiling on property of excessive property value a recipient may own, yet it does not have any guide as to what is **reasonable** except that the Department shall by "rule and regulation" "fix maximum values" for both home and personal property. If the **"reasonable value"** which by act is determined by the Director exceeds his whim as to what is reasonable, then the recipient has, according to the act, an available resource to meet his need. For example, two might own a home worth $2,000—the Director could say it was worth $3,500—and the recipient would either have to reduce his valuation or submit to a deduction of 4% on the extra valuation which the dictator director saw fit to say it was worth. Articles of furniture, perhaps heirlooms, valuable only for sentimental reasons, as well as other belongings, may come under the displeasure of the Director. Many of the old folks find it impossible to get around without the use of a car, yet 178 gives the Director authority to say they must dispose of it, regardless of its value.

We charge that the Medical Program is no REAL program at all and is completely unworkable. We charge that it is completely a political set-up, that it will prove much more costly and far less efficient than the present program. We charge that it is designed to kill the Medical Program completely.

We submit that 178 is the most vicious piece of legislation ever submitted to the people of this state for their approval. It provides no guide as to what is right or decent except the whim of the Director. We ask, **Does the recipient—do you—want to be put in that kind of a straightjacket?** We say to the voter of this state, **Do you want your parents put in that kind of straightjacket?**

We urge you to vote **AGAINST** Initiative 178 and support those who are working to **DEFEAT** Initiative 178.

We wish to impress upon you the fact that it is not necessary to choose between two initiatives but you may vote no on all of them as 172 is still the law and does not expire at the end of two years but will remain the law unless and until the legislature by its action or the people by initiative repeal it. Initiative No. 178 will repeal it and for two years the legislature can do nothing about it.

Vote AGAINST Initiative 178 and let the 1951 Legislature handle the job!

Senior Citizens' League,
3111 Birchwood Ave.,
Bellingham, Wash.

STATE OF WASHINGTON—ss.
Filed in the office of the Secretary of State July 20, 1950.

ARL COE,
Secretary of State.

A-23

Referendum Bill No. 7

(Chapter 229, Laws of 1949)

BALLOT TITLE

"AN ACT providing for the issuance and sale of state general obligation bonds up to forty million dollars for the purpose of furnishing funds for state assistance in providing public school plant facilities."

LEGISLATIVE TITLE
[House Bill 502]

STATE ASSISTANCE—PUBLIC SCHOOL PLANT FACILITIES

AN ACT providing funds for the construction of public school plant facilities; authorizing the issuance and sale of state general obligation bonds and providing ways and means to pay said bonds; making an appropriation; providing for submission of this act to a vote of the people, and declaring an emergency

Be it enacted by the Legislature of the State of Washington:

SECTION 1. For the purpose of furnishing funds for state assistance in providing public school plant facilities under the provisions of chapter 278, Laws of 1947, the State Finance Committee is hereby authorized to issue, at any time prior to January 1, 1960, general obligation bonds of the State of Washington in the sum of forty million dollars ($40,000,000), or so much thereof as shall be required to finance the program herein set out, to be paid and discharged within twenty (20) years of the date of issuance.

The State Finance Committee is authorized to prescribe the form of such bonds, and the time of sale of all or any portion or portions of such bonds, and the conditions of sale and issuance thereof: *Provided,* That none of the bonds herein authorized shall be sold for less than the par value thereof, nor shall they bear interest at a rate in excess of three per cent (3%) per annum.

The bonds shall pledge the full faith and credit of the State of Washington and contain an unconditional promise to pay the principal and interest when due. The Committee may provide that the bonds, or any of them, may be called prior to the due date thereof under such terms and conditions as it may determine. The State Finance Committee may authorize the use of facsimile signatures in the issuance of the bonds.

SEC. 2. The proceeds from the sale of the bonds authorized herein, together with all grants, donations, transferred funds and all other moneys which the State Finance Committee may direct the State Treasurer to deposit therein shall be deposited in the Public School Building Construction Fund.

SEC. 3. The sum of forty million dollars ($40,000,000), or so much thereof as may be necessary is appropriated from the Public School Building Construction Fund to the State Finance Committee to be expended by the Committee for the payment of expense incident to the sale and issuance of the bonds authorized herein and through allotments made, in its discretion, to the State Board of Education for the purpose of carrying out the purposes of chapter 278, Laws of 1947.

SEC. 4. The Public School Building Bond Redemption Fund is hereby created in the state treasury, which fund shall be exclusively devoted to the payment of interest on and retirement of the bonds authorized by this act. The State Finance Committee shall, on or before June 30th of each year, certify to the State Treasurer the amount needed in the ensuing twelve (12) months to meet bond retirement and interest requirements and the State Treasurer shall thereupon deposit such amount in said Public School Building Bond Re-

A-24

demption Fund from moneys transmitted to the State Treasurer by the Tax Commission and certified by the Tax Commission to be sales tax collections and such amount certified by the State Finance Committee to the State Treasurer shall be a first and prior charge against all retail sales tax revenues of the State of Washington.

The owner and holder of each of said bonds or the trustee for any of the bonds may by mandamus or other appropriate proceeding require and compel the transfer and payment of funds as directed herein.

SEC. 5. The Legislature may provide additional means for raising moneys for the payment of the interest and principal of the bonds authorized herein and this act shall not be deemed to provide an exclusive method for such payment.

SEC. 6. The bonds herein authorized shall be a legal investment for all state funds or for funds under state control and all funds of municipal corporations.

SEC. 7. This act shall be submitted to the people for their adoption and ratification, or rejection at the general election to be held in this state on the Tuesday next succeeding the first Monday in November, 1950, in accordance with the provisions of section 3 of Article VIII of the State Constitution; and in accordance with the provisions of section 1 of Article II of the State Constitution, as amended, and the laws adopted to facilitate the operation thereof.

SEC. 8. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government nd its existing public institutions, and shall take effect immediately.

Passed the House March 10, 1949.

Passed the Senate March 10, 1949.

Approved by the Governor March 22, 1949.

STATE OF WASHINGTON—ss.
Filed in the office of the Secretary of State, March 22, 1949.

EARL COE,
Secretary of State.

A-25

Referendum Bill No. 8

(Chapter 230, Laws of 1949)

BALLOT TITLE

"AN ACT providing for the issuance and sale of state general obligation bonds up to twenty million dollars for the purpose of providing buildings at the state operated charitable, educational and penal institutions."

LEGISLATIVE TITLE

[House Bill 503]

PROVIDING FUNDS FOR BUILDINGS AT STATE OPERATED INSTITUTIONS

AN ACT providing funds for the construction of needful buildings at the state operated charitable, educational and penal institutions; authofizing the issuance and sale of state general obligation bonds and providing ways and means to pay said bonds; making an appropriation; providing for submission of this act to a vote of the people, and declaring an emergency

Be it enacted by the Legislature of the State of Washington:

SECTION 1. For the purpose of providing needful buildings at the state operated charitable, educational and penal institutions presently operated by the Department of Public Institutions, the State Finance Committee is hereby authorized to issue, at any time prior to January 1, 1960, general obligation bonds of the State of Washington in the sum of twenty million dollars ($20,000,000), or so much thereof as shall be required to finance the program herein set out, to be paid and discharged within twenty (20) years of the date of issuance.

The State Finance Committee is authorized to prescribe the form of such bonds, and the time of sale of all or any portion or portions of such bonds, and the conditions of sale and issuance thereof: *Provided*, That none of the bonds herein authorized shall be sold for less than the par value thereof, nor shall they bear interest at a rate in excess of three per cent (3%) per annum.

The bonds shall pledge the full faith and credit of the State of Washington and contain an unconditional promise to pay the principal and interest when due. The Committee may provide that the bonds, or any of them, may be called prior to the due date thereof under such terms and conditions as it may determine. The State Finance Committee may authorize the use of facsimile signatures in the issuance of the bonds.

SEC. 2. The proceeds from the sale of the bonds authorized herein, together with all grants, donations, transferred funds and all other moneys which the State Finance Committee may direct the State Treasurer to deposit therein shall be deposited in the Institutional Building Construction Fund.

SEC. 3. The sum of twenty million dollars ($20,000,000), or so much thereof as may be necessary, is appropriated from the Institutional Building Construction Fund to the State Finance Committee to be expended by the Committee for the payment of expense incident to the sale and issuance of the bonds authorized herein and through allotments made, in its discretion, to the Director of Public Institutions for the purpose of constructing needful buildings at the state operated charitable, educational and penal institutions.

SEC. 4. The Institutional Building Bond Redemption Fund is hereby created in the state treasury, which

A-26

fund shall be exclusively devoted to the payment of interest on and retirement of the bonds authorized by this act. The State Finance Committee shall, on or before June 30th of each year, certify to the State Treasurer the amount needed in the ensuing twelve (12) months to meet bond retirement and interest requirements and the State Treasurer shall thereupon deposit such amount in said Institutional Building Bond Redemption Fund from moneys transmitted to the State Treasurer by the Tax Commission and certified by the Tax Commission to be sales tax collections and such amount certified by the State Finance Committee to the State Treasurer shall be a first and prior charge against all retail sales tax revenues of the State of Washington.

The owner and holder of each of said bonds or the trustee for any of the bonds may by mandamus or other appropriate proceeding require and compel the transfer and payment of funds as directed herein.

SEC. 5. The Legislature may provide additional means for raising moneys for the payment of the interest and principal of the bonds authorized herein and this act shall not be deemed to provide an exclusive method for such payment.

SEC. 6. The bonds herein authorized shall be a legal investment for all state funds or for funds under state control and all funds of municipal corporations.

SEC. 7. This act shall be submitted to the people for their adoption and ratification, or rejection, at the general election to be held in this state on the Tuesday next succeeding the first Monday in November, 1950, in accordance with the provisions of section 3, Article VIII of the State Constitution; and in accordance with the provisions of section 1, Article II of the State Constitution, as amended, and the laws adopted to facilitate the operation thereof.

SEC. 8. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House March 10, 1949.

Passed the Senate March 10, 1949.

Approved by the Governor March 22, 1949.

STATE OF WASHINGTON—ss.
Filed in the office of the Secretary of State March 22, 1949.

EARL COE,
Secretary of State.

A-27

Referendum Bill No. 9

(Chapter 231, Laws of 1949)

BALLOT TITLE

"AN ACT providing for the issuance and sale of state general obligation bonds up to twenty million dollars for the purpose of providing buildings at state institutions of higher learning."

LEGISLATIVE TITLE

[House Bill No. 504]

PROVIDING FUNDS FOR BUILDINGS AT STATE INSTITUTIONS OF HIGHER LEARNING

AN ACT providing funds for the construction of needful buildings at the state institutions of higher learning; authorizing the issuance and sale of state general obligation bonds and providing ways and means to pay said bonds; making an appropriation; providing for submission of this act to a vote of the people, and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. For the purpose of providing needful buildings at the state institutions of higher learning, the State Finance Committee is hereby authorized to issue, at any time prior to January 1, 1960, general obligation bonds of the State of Washington in the sum of twenty million dollars ($20,000,000), or so much thereof as shall be required to finance the program herein set out, to be paid and discharged within twenty (20) years of the date of issuance.

The State Finance Committee is authorized to prescribe the form of such bonds, and the time of sale of all or any portion or portions of such bonds, and the conditions of sale and issuance thereof: *Provided*, That none of the bonds herein authorized shall be sold for less than the par value thereof, nor shall they bear interest at a rate in excess of three per cent (3%) per annum.

The bonds shall pledge the full faith and credit of the State of Washington and contain an unconditional promise to pay the principal and interest when due. The committee may provide that the bonds, or any of them, may be called prior to the due date thereof under such terms and conditions as it may determine. The State Finance Committee may authorize the use of facsimile signatures in the issuance of the bonds.

SEC. 2. The proceeds from the sale of the bonds authorized herein, together with all grants, donations, transferred funds and all other moneys which the State Finance Committee may direct the State Treasurer to deposit therein shall be deposited in the Higher Education Building Construction Fund.

SEC. 3. The sum of twenty-five million dollars ($25,000,000), or so much thereof as may be necessary, is appropriated from the Higher Education Building Construction Fund to the State Finance Committee to be expended by the Committee for the payment of expense incident to the sale and issuance of the bonds authorized herein and through allotments made, in its discretion, to the state institutions of higher learning for the purpose of constructing needful buildings.

SEC. 4. The Higher Education Building Bond Redemption Fund is hereby created in the state treasury, which fund shall be exclusively devoted to the payment of interest on and retirement of the bonds authorized by this act. The State Finance Committee shall, on or before June 30th of each year, certify to the State Treasurer the amount needed in the ensuing twelve (12) months to meet bond retirement and interest requirements and the State Treasurer shall thereupon deposit such amount in said Higher Education Building

A-28

Bond Redemption Fund from moneys transmitted to the State Treasurer by the Tax Commission and certified by the Tax Commission to be sales tax collections and such amount certified by the State Finance Committee to the State Treasurer shall be a first and prior charge against all retail sales tax revenues of the State of Washington.

The owner and holder of each of said bonds or the trustee for any of the bonds may by mandamus or other appropriate proceeding require and compel the transfer and payment of funds as directed herein.

SEC. 5. The Legislature may provide additional means for raising moneys for the payment of the interest and principal of the bonds authorized herein and this act shall not be deemed to provide an exclusive method for such payment.

SEC. 6. The bonds herein authorized shall be a legal investment for all state funds or for funds under state control and all funds of municipal corporations.

SEC. 7. This act shall be submitted to the people for their adoption and ratification, or rejection, at the general election to be held in this state on the Tuesday next succeeding the first Monday in November, 1950, in accordance with the provisions of section 3, Article VIII of the State Constitution; and in accordance with the provisions of section 1, Article II of the State Constitution, as amended, and the laws adopted to facilitate the operation thereof.

SEC. 8. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House March 10, 1949.

Passed the Senate March 10, 1949.

Approved by the Governor March 22, 1949.

STATE OF WASHINGTON—ss.
Filed in the office of the Secretary of State March 22, 1949.

EARL COE,
Secretary of State.

A-29

ARGUMENT FOR REFERENDUM BILLS NUMBER 7, 8, AND 9

BULGING AT THE SEAMS

OUR GROWING STATE HAS PROBLEMS

For every two people in Washington in 1940, there are three today * * * This means:

CROWDED SCHOOLS

More than 80,000 children now attend school on half-day sessions, in makeshift facilities, or in overcrowded classrooms.

Over 200,000 additional pupils will enroll, 1950-1960.

12,000 additional classrooms needed to care for these boys and girls.

CROWDED STATE INSTITUTIONS

Our 13 charitable, educational, and penal institutions are filled beyond capacity; some of them have waiting lists for admission.

CROWDED UNIVERSITY AND COLLEGES

Our 5 State institutions of higher learning, now serving record numbers of students, need new and more diversified facilities for medical, agricultural, teacher, business and other training, research, and extension purposes.

The facilities have been crowded since before the war—now they are more so. The youngsters now crowding our public schools will come to college age in the next decade; and our State still is growing.

WHAT THE BOND ISSUES WILL DO

They will appear on the ballot as Referendum Bills 7, 8, and 9.

No. 7—40 million dollars for the public schools.
No. 8—20 million dollars for State institutions.
No. 9—20 million dollars for higher education.

The bonds will make it possible to build immediately to correct present-day crowded conditions.

They will benefit every family, every community in Washington.

The bonds are sound business. They will be paid off in twenty years from proceeds of sales tax collections.

In this way, those who use the facilities will help pay for them.

Authorized by Near Unanimous Vote of the 1949 Legislature and Referred to the Voters for Approval.

Endorsed by the Washington Congress of Parents and Teachers, the Washington State School Directors' Association, and by scores of other groups and citizens united together in support of needed facilities for the public schools, the State institutions, and the State institutions of higher learning.

IRVING E. STIMPSON, *Chairman*
United Voters for School, College and Institution Bonds
4144 Arcade Building, Seattle 1
Telephone Main 8510

Vote "YES" on 7, 8, and 9!

STATE OF WASHINGTON—ss.
Filed in the office of the Secretary of State July 5, 1950.

EARL COE,
Secretary of State.

A-30

Referendum Measure No. 28

BALLOT TITLE

AN ACT establishing a system of disability compensation for certain employed persons.

REFERRING PORTIONS OF AN ACT ENTITLED:
Chapter 235, Laws of 1949. (S. B. 164)

"AN ACT relating to unemployment compensation; providing for experience rating credit; providing for relief from unemployment caused by sickness, accident, or injury; providing for benefits, contributions, funds, and the receipt of monies; amending chapter 35, Laws of 1945; repealing sections 108, 109 and 136 to 179, inclusive, chapter 35, Laws of 1945, and chapter 50, Laws of 1947; making an appropriation; declaring an emergency and providing effective dates."

Sections 1 to 5 inclusive are not being subject to referendum. The part of the act on which the referendum has been made is as follows:

Be it enacted by the People of the State of Washington:

"CHAPTER XI. DISABILITY COMPENSATION

SEC. 6. Section 136 through section 179, inclusive, of chapter 35 of the Laws of 1945 (sec. 9998-274 through sec. 318, Rem. Rev. Stat., 1945 Supp.), are hereby repealed.

SEC. 7. A new section to be known hereafter as section 136 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 136. *Unemployment and Disability Compensation Related.* The general provisions of chapters I, II, III, IV, V, VI, VII, X, XII, and XIII, of the Unemployment Compensation Act shall apply in respect to chapter XI, Disability Compensation except as hereinafter made specifically non-applicable.

(a) Sections 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 81, 89, 108, 109, 110, 111, 112, 113, 114, 115 and 116 shall not apply in respect to Chapter XI, disability compensation.

SEC. 8. A new section to be known hereafter as section 137 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 137. *Definitions.* The following words and phrases as used in the provisions of this chapter shall have the following meanings unless the context clearly requires otherwise:

(a) "Disability" shall mean any physical or mental condition due to an injury or illness which renders an individual incapable of performing his regular or customary work. In no case shall the term "disability" include any injury or illness caused by or arising in connection with pregnancy up to the termination of such pregnancy and for a period of four (4) weeks thereafter.

(b) "Disabled"—An individual with a "disability" shall be deemed disabled.

(c) "Disability benefits" shall mean the compensation payable to an individual with respect to his unemployment due to a "disability."

SEC. 9. A new section to be known hereafter as section 138 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 138. *Disability Compensation Fund.* There is hereby established a Disability Compensation Fund which shall be maintained separate and apart from all public moneys or funds of this state including the Unemployment Compensation Fund and the Unemployment Compensation Administration Fund. This fund shall be administered by the Commissioner exclusively for the purpose of providing "disability benefits" as that term is defined herein. All moneys which are deposited or paid into this fund are hereby made available to the Commissioner and shall be expended solely for the purpose of paying disability benefits, payment of refunds, and defraying the costs of administra-

A-31

tion under the provisions of this chapter. All moneys in this fund shall be deposited, administered, and disbursed by the treasurer of the fund under rules and regulations prescribed by the Commissioner and none of the provisions of section 5501 of Remington's Revised Statutes, as amended, shall be applicable to this fund. The treasurer of the Unemployment Compensation Fund shall be the treasurer of the Disability Compensation Fund and shall give a bond in an amount fixed by the state administration board in a form prescribed by law or approved by the Attorney General. Said bond shall be conditioned upon the faithful performance of the treasurer's duties in connection with the Disability Compensation Fund and the premiums for said bond shall be paid from such fund. All sums recovered on the official bond for losses sustained by this fund shall be deposited in said fund.

SEC. 10. A new section to be known hereafter as section 139 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 139. *Sources of Disability Compensation Fund.* All moneys in the Disability Compensation Fund shall be commingled and undivided and said fund shall consist of:

(a) All disability compensation contributions collected pursuant to the provisions of this act;

(b) all interest on disability compensation contributions collected pursuant to the provisions of this act;

(c) interest earned upon any moneys in the fund;

(d) any property or securities acquired through the use of moneys belonging to the fund;

(e) all earnings of such property or securities; and

(f) all moneys received for the fund from any other source, or granted to this state for the payment of disability benefits or the cost of administration.

SEC. 11. A new section to be known hereafter as section 140 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 140. *Administration Expenses.* The Commissioner is hereby authorized to allocate to and use for the expense of administering the provisions of this chapter a sum not to exceed six hundredths of one per cent (0.06%) of the wages for the preceding calendar year reported for disability compensation purposes not later than the following March. All officers and employees administering the provisions of this chapter shall be selected and appointed on the basis of merit in the same manner as other personnel of the Employment Security Department: *Provided, however,* The Commissioner may enter into contracts with established medical organizations for the purpose of employing such organizations' facilities and personnel to administer this act more efficiently.

SEC. 12. A new section to be known hereafter as section 141 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 141. *Disability Benefit Eligibility Conditions.* An individual shall be eligible to receive disability benefits with respect to any period in which he is unemployed due to a disability if the Commissioner finds that:

(a) A claim for disability benefits has been filed in accordance with the provisions of this act and such regulations as the Commissioner may prescribe;

(b) he has been continuously disabled for a waiting period of seven (7) consecutive days during each period of disability: *Provided, however,* That a waiting period shall not be required for a second period of disability due to the same or related cause or causes commencing not later than three (3) weeks subsequent to the termination of a prior disability compensated pursuant to the provisions of this act: *And provided further,* When unemployment immediately precedes an individual's period of disability, which disability exists for a period of not less than seven (7) days, he may apply consecutive days of such unemployment toward his disability waiting period credit if such days of unemployment occurred during a period in which he would have been eligible for waiting period credit or benefits pursuant to the Unemployment Compensation Act except for his disability;

A-32

(c) he has within the base year earned wages sufficient to qualify him for unemployment compensation benefits; and

(d) he is under the care of a legally licensed physician or surgeon or legally licensed dentist acting within the scope of his practice and has complied with such regulations as the Commissioner may prescribe relating to proof of his disability including certification or examination by a physician or a surgeon licensed pursuant to the provisions of sections 10008 or 10056 of Remington's Revised Statutes and practicing in this state, a dentist licensed by and praticing within this state or any physician, surgeon, or dentist in the employ of the United States Government: *Provided, however*, If the Commissioner shall designate the physician or surgeon to make the examination, the fees, if any, for such examination shall be paid from the Disability Compensation Fund.

SEC. 13. A new section to be known hereafter as section 142 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 142. *Claims for Deceased and Incompetent Persons.* Benefits due a deceased or legally declared incompetent person may be claimed by and paid to the disabled individual's spouse, the head of the family with whom he resides, his legal representative, or his estate.

SEC. 14. A new section to be known hereafter as section 143 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 143. *Attachment to Labor Market.* An eligible individual may be disqualified for disability waiting period credit or disability benefits with respect to any week unless he has made proof of his attachment to the labor market in accordance with such regulations as the Commissioner shall prescribe. Such regulations may require proof that:

(a) The individual has received remuneration from an employing unit or employing units for personal services performed for at least ten (10) days at some time during the three (3) months period preceding the first day of his current disability unless during such period the individual has been unable to work or apply for work due to a disability; or

(b) if the individual has been unemployed during the three (3) months period preceding the first day of his current disability he has within the month immediately preceding his disability demonstrated his availability for work by applying for work through the Washington State Employment Service or some other referral agency approved by the Commissioner or actively seeking work on his own behalf unless during such period the individual was unable to work or apply for work due to a disability.

SEC. 15. A new section to be known hereafter as section 144 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 144. *Disability Benefit Disqualifications.* An individual shall be disqualified for waiting period credit or disability benefits for the period with respect to which

(a) he has wilfully made a false statement or representation or wilfully failed to report a material fact, to obtain any benefit under the provisions of this chapter and for the fifty-two (52) next following weeks;

(b) he is suffering from a willful and intentional self-inflicted disability, or

(c) he is suffering from a disability occasioned while perpetrating a felony.

SEC. 16. A new section to be known hereafter as section 145 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 145. *Industrial Insurance Limitation.* An individual shall not be entitled to waiting period credit or disability benefits for any period with respect to which he has been awarded temporary total disability benefits under the Workmen's Compensation law or occupational disease law of this or any other state or of the Federal Government.

SEC. 17. A new section to be known hereafter as section 146 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

A-33

Section 146. *Subrogation.* Whenever an individual has been paid benefits for disability under this act and whose claim for temporary total disability compensation for the same disability under the Workmen's Compensation Act of this state is allowed, the Department of Labor and Industries shall reimburse the Disability Compensation Fund to the extent of the payment from the Disability Compensation Fund out of the amount allowed on said claim for temporary total disability under the said Workmen's Compensation Act; and whenever an individual has been paid benefits for disability pursuant to a private plan approved by the Commissioner under the provisions of this act and whose claim for temporary total disability compensation for the same disability under the Workmen's Compensation Act of this state is allowed, the Department of Labor and Industries shall reimburse such insurer to the extent of payment to the claimant by the insurer out of the amount allowed on said claim for temporary total disability under the Workmen's Compensation Act. In accordance with the foregoing provisions of this section the Commissioner, or in the case of payment by a private insurer, the insurer, shall be subrogated to such rights as such individual has under the Workmen's Compensation Act of this state. Any moneys received by the Commissioner pursuant to the provisions of this section shall be deposited in the Disability Compensation Fund.

SEC. 18. A new section to be known hereafter as section 147 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 147. *Amount of Disability Benefits.* The total amount of disability benefits and the weekly amount of disability benefit payable to an eligible individual under this chapter during any one benefit year shall be amounts equal to the total amount of unemployment compensation and the weekly benefit amount of unemployment compensation to which such individual would be entitled computed in accordance with the provisions of section 80 of the Unemployment Compensation Act. Benefits for periods of less than a full week shall be computed at the rate of one seventh (1/7) of his weekly benefit amount for each day during which he is disabled.

The weekly benefit amount payable to an individual under any of the provisions of this chapter, if not a multiple of one dollar ($1) shall in each case be computed to the next higher multiple of one dollar ($1).

SEC. 19. A new section to be known hereafter as section 148 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 148. *Effective Date for Filing.* No payment shall be made for disability from the Disability Compensation Fund for any week commencing prior to January 1, 1950.

SEC. 20. A new section to be known hereafter as section 149 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 149. *Non-Liability of State for Disability Benefits.* Disability benefits shall be deemed to be due and payable under this act only to the extent provided in this act and to the extent that moneys are available therefor to the credit of the Disability Compensation Fund, and neither the state nor the Commissioner shall be liable for any amount in excess of such sums.

SEC. 21. A new section to be known hereafter as section 150 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 150. *Disability Contributions.* On and after July 1, 1949, each employer subject to the Unemployment Compensation Act except as exempted by the provisions of this chapter shall deduct from "wages" paid individuals in his employment a contribution equal to one per cent (1%) of such "wages," which contributions the employer shall pay into the Disability Compensation Fund. All moneys deducted by an employer from "wages" paid for employment shall be held in trust by such employer for the sole and exclusive purpose of payment to the Disability Compensation Fund. If at any pay period the employer fails to deduct the employee contribution from "wages" paid such deduction must be

A-34

withheld from the "wages" paid at the next pay period or the employer alone shall be liable for such contribution and the same shall not subsequently be deducted by the employer from "wages" paid.

SEC. 22. A new section to be known hereafter as section 151 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 151. *Payment to Disability Compensation Fund.* Contributions shall become due and be paid by each employer to the treasurer of the Disability Compensation Fund in accordance with such regulations as the Commissioner may prescribe. If such contributions are not paid on the date on which they are due and payable as prescribed by the Commissioner, the provisions of the Unemployment Compensation Act relating to contributions, including interest, refund and adjustment, lien rights, assessments, collection remedies, appeal and review procedure shall apply to such disability contribution payments: *And provided further,* On March 31 of each year the treasurer of the Disability Compensation Fund shall deduct from the Disability Compensation Fund and remit to the State Treasurer for payment into the General Fund one per cent (1%) of the disability compensation contributions collected for the prior calendar year.

SEC. 23. A new section to be known hereafter as section 152 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 152. *Experience Rating.* The Commissioner shall conduct a study concerning the desirability of experience rating the contributions payable to the Disability Compensation Fund and shall, on or before January 1, 1951, report his findings to the Legislature with any recommendations for legislation with respect thereto.

SEC. 24. A new section to be known hereafter as section 153 is hereby added to chapter 35 of the Laws of 1945 to read as follows:

Section 153. *Religious Exemption.* Any individual who adheres to the faith or teachings of any church, sect, or denomination and in accordance with its creed, tenets, or principles, depends for healing upon prayer or spiritual means in the practice of religion shall be exempt from the provisions of this act and excluded therefrom upon the filing with the Employment Security Department and with his or her employer, affidavits, in duplicate, stating such adherance and dependence, and disclaiming any and all benefits under this act, and stating therein the name of the employer of such individual, which affidavits shall contain certifications by an officer of the individual's church, or certifications of any practitioner in the State of Washington who is authorized to practice healing based upon prayer or spiritual means, stating such adherence and dependence of such individual. Thereafter said individual and his employer shall be exempt from liability for contributions with respect to said individual provided for under this act, and the employer shall be entitled to rely upon the affidavit filed with it unless and until it shall receive notice from the Commissioner that the provisions hereof have not been complied with or that such affidavit is not in proper form. In case such individual, after the filing of such affidavits, obtains new employment, he must file new affidavits in order to be exempt from the provisions of this act.

SEC. 25. A new section to be known hereafter as section 154 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 154. *Overpayment to Disability Compensation Fund.* Refund shall be made from the Disability Compensation Fund of any sum received into the fund in excess of one per cent (1%) of the first three thousand dollars ($3,000) of remuneration paid to an individual for services in one (1) calender year (whether paid to him by one or more employers). If such excess sum has been deducted from remuneration paid to such individual (by one or more employers) it shall be refunded to the individual. That part of such excess sum which has not been deducted from remuneration paid to an individual by any employer as required by this act, after deduction of

A-35

all claims of the Employment Security Department, shall be refunded to the employer who paid such excess sum. Any individual or employer entitled to a refund under the provisions of this section may file a petition for refund, adjustment, or credit with the Commissioner within three (3) years after the deduction or payment in question was made. Refunds, adjustments, and credits, provided for by this section shall be made in the same manner as provided for refund of unemployment compensation contributions and the appeal procedure in respect thereto shall be applicable to any employer or individual who files a petition for refund, or adjustment, of disability compensation contributions pursuant to the provisions of this section. Whenever an employer has deducted more than the correct amount of disability contributions imposed by this act from any payment made to any individual for services, but such excess amount has not been paid to the Disability Compensation Fund, the employer shall be liable to the individual for such excess amount and neither the Commissioner, the State, nor the Disability Compensation Fund shall be liable therefor.

SEC. 26. A new section to be known hereafter as section 155 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 155. *Private Plans.* The Commissioner may approve a private plan for the payment of disability benefits provided the majority of the employees of any separate establishment of an employer consent to such plan. At the end of each calendar year the Commissioner shall determine the amount expended by the Employment Security Department for additional administrative expense occasioned by the existence of such private plans; the total amount so determined shall be prorated among the approved private plans in effect during the calendar year on the basis of the amount of wages paid in employment by employers to individuals participating in such plans; the Commissioner shall assess the insurers of the private plans the amounts so prorated which amounts shall not exceed two hundredths of one per cent (0.02%) of wages paid to individuals participating in such plans during the calendar year. With the exception of such contributions, and reimbursement to the Disability Compensation Fund in accordance with the provisions of section 160 such employers with approved private plans shall be exempt from contribution to the Disability Compensation Fund for the period such plans remain in effect and are approved by the commissioner.

SEC. 27. A new section to be known hereafter as section 156 is hereby aded to chapter 35 of the Laws of 1945, to read as follows:

Section 156. *Nature of Private Plans.* A private plan approved by the Commissioner may be one of the following types:

(a) Contract with insurer. Any employer (or group of employers) subject to this act may secure payments to his employees for disability by making a contract for this purpose with a corporation or association licensed to do business in this state in the field of health or disability insurance. Such contracts are subject to the Commissioner's approval and to the rules and regulations promulgated by him.

(b) Guarantee; Self-insurer. Any employer (or group of employers) who furnishes satisfactory proof to the Commissioner of his financial ability to make payments for disability as provided in this act and who deposits with the Commissioner such securities as the Commissioner deems necessary in an amount to be determined by the Commissioner to secure the liability to make payments for disability as provided in this act and who complies with any standards, conditions, or other requirements which the Commissioner may prescribe, may guarantee payments for disability to his employees upon the Commissioner's approval.

(c) Arangements by employees' associations. Arrangements for payments for disability may be made by an employee association licensed to do business in this field in this state which complies with standards, con-

A-36

ditions, and other requirements prescribed for this purpose by the Commissioner. Such arrangements are subject to the Commissioner's approval and to rules and regulations promulgated by him.

SEC. 28. A new section to be known hereafter as section 157 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 157. *Approval of Private Plans.* The Commissioner shall approve any contract, guarantee, or arrangement as described in section 156 only after he has determined that:

(a) The rights afforded to the covered employees are as great as those provided under the state plan;

(b) the cost to the employee in relation to the benefits provided is no more than under the state plan;

(c) the plan has been made available to all individuals in the employment of the employer within this state except that if the employer maintains more than one distinct separate establishment in this state, the plan has been made available to all employees of any such establishment;

(d) the majority of the employees of the employer employed in this state have consented to the plan except that if the employer maintains more than one distinct separate establishment in this state a majority of the employees employed at any such establishment have consented to the plan;

(e) the plan contains a provision that it will be in effect for not less than one year and, in any event, until December 31, 1950, and that no reduction in disability benefits or increase in employee contributions for disability benefits will be made while the plan is in effect without the prior approval of the Commissioner. Such approval shall be given only if the Commissioner finds that a majority of the employees covered by the plan have consented in writing to the modification and that the plan after such modification will continue to meet approval requirements;

(f) the approval of the plan or plans will not result in a substantial selection of risks adverse to the Disability Compensation Fund; the Commissioner shall adopt appropriate rules and regulations for the purpose of determining whether or not the approval of a plan or plans shall be deemed to result in a substantial selection of risks adverse to the Disability Compensation Fund; such rules and regulations shall provide that all previously approved private plans underwritten by an insurer shall be taken into consideration in the determination of whether or not the approval of an additional private plan to be underwritten by such insurer results in substantial selection of risks adverse to the Disability Compensation Fund;

(g) the plan provides for the inclusion of future employees;

(h) the plan provides that the insurer shall reimburse the Disability Compensation Fund in accordance with the provisions of section 160;

(i) the plan provides that an individual when denied disability benefits by the insurer shall retain all of his rights of appeal in accordance with the procedures established by the Unemployment Compensation Act, and the determination of either the appeal tribunal or the Commissioner, or in case of further appeal the determination of the court shall be binding upon the insurer who shall thereupon make payment to the claimant in accordance with such determination.

SEC. 29. A new section to be known hereafter as section 158 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 158. *Reports.* Employers whose employees are participating in an approved private plan and any insurer of an approved private plan shall furnish such reports and information and make available to the Commissioner such records as he may by regulation require for the proper administration of this act.

SEC. 30. A new section to be known hereafter as section 159 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 159. *Termination of Private Plans.* Any approved plan failing to comply with the provisions of section 157 shall be determined by

A-37

the Commissioner to be terminated; the interested employer or insurer may file an appeal with the appeal tribunal from such determination within ten (10) days after the date of notification or mailing, whichever is earlier, to his last known address. Such appeal shall be in accordance with the procedures established by the Unemployment Compensation Act for hearing and determining contribution appeals

SEC. 31. A new section to be known hereafter as section 160 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 160. *Commissioner Authorized, to Make Payments and Assessments.* The Commissioner is authorized to make disability benefit payments from the Disability Compensation Fund to individuals otherwise eligible, who have ceased to be covered by private plans, whether by termination of the plan, change of employers, or other reason, upon the basis of wage credits upon which no disability contributions have been paid by reason of a private plan or plans which were then in effect: *Provided, however,* That in computing the amount of benefits to which such an individual may be entitled from the Disability Compensation Fund during the remainder of a benefit year during a portion of which he received benefits under a private plan, the amount of all benefits, at a weekly rate not exceeding the individual's weekly benefit rate pursuant to the provisions of this act, paid or to be paid to the individual under all approved private plans during that benefit year, whether before or after cessation of coverage, shall be deducted from the benefits payable from the Disability Compensation Fund during that benefit year; and *Provided further:*

(a) Disability compensation benefits paid from the Disability Compensation Fund to an unemployed individual for a period of disability commencing during the fourteen (14) days immediately subsequent to the termination of his employment shall be assessed by the Commissioner against the insurer of his last employer's private plan, if any;

(b) disability compensation benefits paid to unemployed individuals for periods of disability commencing more than fourteen (14) days subsequent to termination of their employments shall be prorated among the various insurers including the State Disability Compensation Fund; on March 31 of each year the Commissioner shall assess each insurer of a private plan or plans that portion of the total of such disability benefit payments paid during the prior calendar year which the wages exempt in such calendar year by reason of the existence of such private plan or plans bears to the total wages reported for such calendar year;

(c) if prior to December 31, 1951, any private plan or plans are terminated, all disabled individuals covered by such private plan or plans shall when otherwise eligible be paid disability benefits from the Disability Compensation Fund, but amounts paid for disability commencing during the coverage of such individuals under the private plan or plans or within the three (3) months period immediately subsequent to the date of termination of the private plan or plans shall be assessed against the insurer of such terminated private plan or plans; and

(d) all amounts assessed in accordance with the provisions of this section shall be assessed and collected in the same manner as unemployment and disability contributions except that interest shall not accrue on such charges until thirty (30) days after notice of such assessment.

SEC. 32. A new section to be known hereafter as section 161 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 161. *Double Benefits Prohibited.* In no case shall an individual covered by a private plan and eligible to receive disability compensation benefits thereunder be considered eligible to receive disability compensation benefits from the State Disability Compensation Fund for the same benefit period.

A-38

SEC. 33. *Appropriation.* For the purposes of administering this act there is hereby appropriated from the general fund the sum of thirty thousand dollars ($30,000), which sum shall be repaid to the general fund from the Disability Compensation Fund not later than July 1, 1950.*

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State March 30, 1949.

EARL COE,
Secretary of State.

A-39

ARGUMENT IN FAVOR OF REFERENDUM MEASURE NO. 28

Referred by Referendum Petition
REFERENDUM MEASURE NO. 28, ENTITLED:
"An Act establishing a system of Disability Compensation for certain employed persons"

FOR Referendum Measure No. 28.....☒

AGAINST Referendum Measure No. 28.....☐

IS THIS **GOOD** LEGISLATION? **YES**.....So Vote **FOR** Referendum No. 28.

This act was passed by the 1949 Legislature by a vote of 82 to 4 in the House and 26 to 19 in the Senate. It was sponsored by the Washington State Federation of Labor, A. F. L., and supported by many other responsible union groups, on a non-partisan basis.

WHY DO YOU HAVE TO VOTE **FOR** REFERENDUM NO. 28 NOW—
IT WAS PASSED BY THE LEGISLATURE!

Because a small, irresponsible and selfish group of individuals secured enough referendum petition signatures to hold it up.

WHO IS BEHIND THESE PEOPLE?

Certain insurance companies—and not all of them—who do not want to lose their fat profits from high premiums they now charge for limited coverage on this type of insurance.

WHO IS AFFECTED BY THIS LAW? WHO IS **FOR** REFERENDUM 28?

Working men and women, now covered by the Unemployment Compensation Law, which includes practically all workers except domestic, agricultural and government workers. They passed this law through the efforts of their unions, and now they want **YOU** to help them pass DISABILITY COMPENSATION which will compensate them, on a prepaid **SELF** insured basis, for loss of work due to off-the-job accident or illness.

WHO PAYS **FOR** DISABILITY COMPENSATION?

The working men and women who will benefit by it are going to pay for it at rates comparable to those now charged for private health and accident insurance.

WHAT BENEFITS WILL WORKING PEOPLE RECEIVE?

It all depends on earning power—benefits range from a minimum of $10.00 for 15 weeks for low paid or part-time workers to $25.00 for 26 weeks for a worker earning $40.00 a week. Benefits average about 60 per cent of wages after a seven day waiting period. Benefits and waiting period are comparable to those provided in Unemployment Compensation if you come under the State Fund. If you choose a private plan you should get higher benefits or shorter waiting period or both if your group is a good risk.

WHY DISABILITY INSURANCE IS NECESSARY—

At the present time less than **10** per cent of the workers who would be protected by this act are covered by Income-Loss Insurance. Ninety per cent of the workers have no insurance to replace the wages they lose when sick or disabled by non-occupational accidents or illness. It is a sad situation when an able-bodied man becomes sick or disabled and has to resort to charity for food for his family.

IT IS FINANCIALLY SOUND LEGISLATION—

Four other states now have DISABILITY COMPENSATION, and the Washington ACT combines the best features of all of them and their experience shows that the premiums set up will adequately meet the cost of the modest benefits payable to those who qualify. The workers who want this law are going to pay the costs and they realize the necessity of a sound insurance basis to insure the solvency of the fund.

A-40

ARE THERE ANY SAFEGUARDS AGAINST "CHISELERS"?

Yes, there are plenty of safeguards. Labor has no desire to sponsor legislation which they will pay for out of their own pockets unless it contains adequate safeguards against chiselers. To qualify, the disabled person must have certain wage credits, must have been disabled for more than a seven day waiting period, and must be able to furnish proof in the form of a doctor's certificate that he is, in fact, unable to work due to off-the-job accident or illness.

WILL REFERENDUM NO. 28 BENEFIT THE GENERAL PUBLIC? **YES**

Disability compensation should materially reduce General Assistance costs and taxes because working people will provide for THEIR OWN periods of misfortune and will not be forced to request PUBLIC WELFARE.

IS THIS AN "EXPERIMENT"? ABSOLUTELY NOT!

China, India and the UNITED STATES are the only large countries in the world without a Disability Compensation Program. Many countries have had one for years, and four other states in this country have a plan in operation NOW! In every case the program is very popular and is working out very well and has had a stabilizing effect on the economy.

DOES THIS ACT CREATE ANOTHER STATE DEPARTMENT?—NO!

The State Department of Employment Security, which already has all the necessary records, personnel and machinery, will administer this Disability Compensation. Disability Compensation will pay its just share of the joint operation. No new agency will be created and no political hangers-on will get a job. Career employees now covered by the State Merit System will handle the details.

IS THE 1% PREMIUM ADEQUATE?—YES!

California experience indicates the 1 per cent is more than necessary to carry the benefits provided because benefits paid in two years have averaged less than one-half of the 1 per cent premium collected. A reduction of rates, based on experience, will be possible whenever reserves are shown to be more than adequate. An amount equal to six months' premiums will always be kept as a reserve to assure the solvency of the fund. Actuaries say this is more than ample reserves.

EVEN IF YOU ARE NOT AFFECTED, SHOULD YOU VOTE **FOR** REFERENDUM NO. 28?—YES!

This is your chance to give working men and women a chance to help themselves. At present they are protected by Workmen's Compensation for disabling accidents on the job. Federal Old Age and Survivors' Insurance allows them to provide for their old age, and Unemployment Compensation tides them over when out of a job and able and willing to work. This Disability Compensation Insurance will help them when sick or hurt in a non-occupational accident. This is a gap which needs closing, so that a **workman can provide for himself** and not have to resort to charity or public welfare.

WHAT ARE THE ARGUMENTS AGAINST THIS BILL, WHEN THERE ARE SO MANY REASONS **FOR** DISABILITY COMPENSATION?—

No valid arguments have been put forth as yet. The only people against it are a few selfish die-hards who have a "good thing" in profits from deceptive insurance plans that do not give fool-proof coverage. They want to insure only the best risks and let the rest of the working men and women go without protection. Referendum 28 (Disability Compensation) is simply the principle of insurance carried to its logical conclusion. All workers share the risk for their periods of misfortune.

IF YOU BELIEVE IN INSURANCE YOU WILL—
VOTE **FOR** REFERENDUM NO. 28, DISABILITY COMPENSATION

E. M. WESTON, President
WASHINGTON STATE FEDERATION OF LABOR, A. F. L.

STATE OF WASHINGTON—ss.
Filed in the office of the Secretary of State July 3, 1950.

EARL COE,
Secretary of State.

A-41

ARGUMENT AGAINST REFERENDUM MEASURE NO. 28

In the November 7 election you will have the opportunity to vote for or against Referendum 28. This measure was passed at the last session of the legislature but more than 83,000 voters signed the petitions to put this law on the ballot so that you might have an opportunity to vote against this Socialistic legislation.

Here Is Why You Should Vote Against Referendum 28:

COMPULSORY PAYROLL DEDUCTION—More money will be taken from your pay check without your permission. This will be a compulsory deduction. It will mean less take home pay.

COST IS EXCESSIVE—Private insurance companies are offering—for less money—better health insurance than offered under Referendum 28.

PROTECTION IS LIMITED—Referendum 28 provides NO insurance against accidental death, hospitalization, surgery or medical care.

WAITING PERIODS LONG—Under Referendum 28 you must wait one full week with each illness or injury before you benefit. If you are ill for two weeks you will receive a maximum of $25. How many times in the last five years have you been away from the job because of illness for more than one week?

EXCLUSIONS ARE MANY—You must contribute, but you are ineligible to collect, if your employer continues your wages during an illness. Also, under Referendum 28 you would contribute through compulsory payroll deductions for six months before you benefit, while state is building adequate funds to operate the plan. During this period you will not be covered by the insurance.

REFERENDUM 28 IS SOCIALISM—No matter whether you have your own health insurance, whether you want health insurance or whether you believe you need health insurance, you MUST PAY FOR REFERENDUM 28. The state government will be in the insurance business.

If Referendum 28 passes, when will the state be operating service stations, grocery stores, laundries, clothing stores and other businesses in competition to private free enterprise?

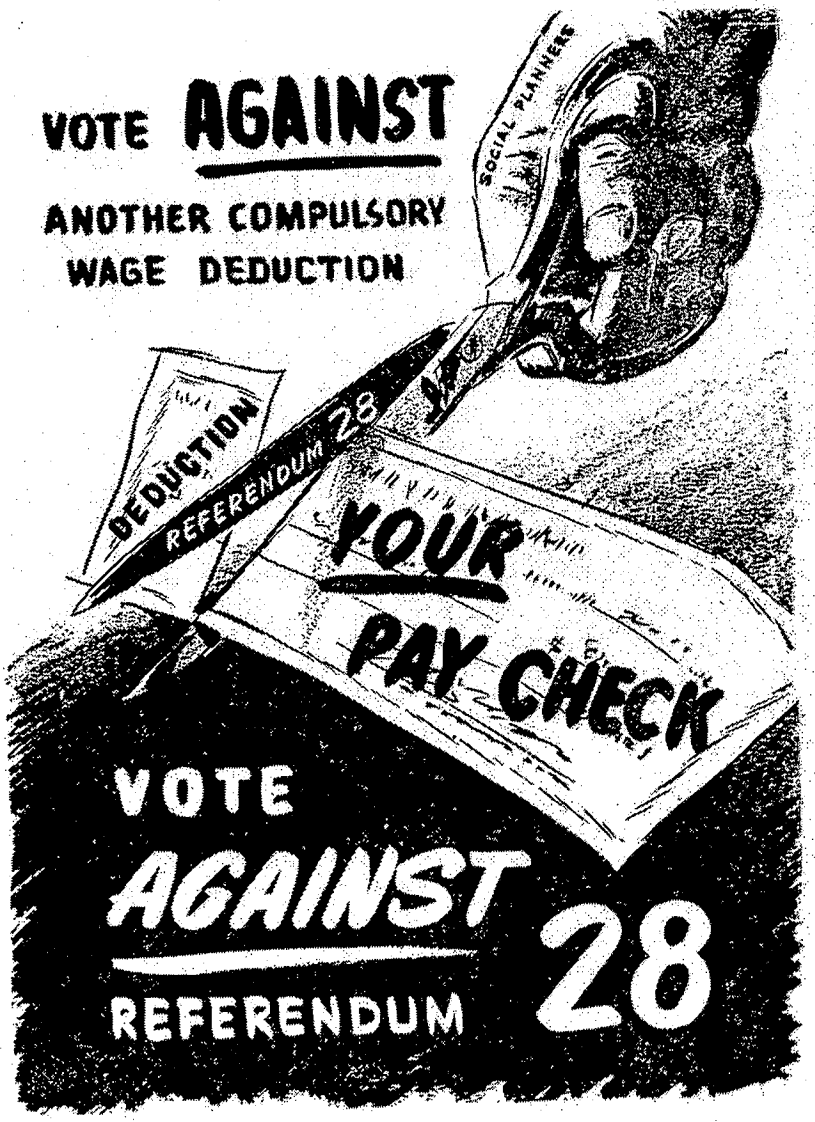
We must defeat this compulsory insurance law now. Vote against Referendum 28.

The People Against Referendum 28
Smithmoore P. Myers, Chairman.

STATE OF WASHINGTON—ss.
Filed in the office of the Secretary of State July 14, 1950.

EARL COE,
Secretary of State.

A-42



THE PEOPLE AGAINST REFERENDUM 28
508 FISCHER STUDIO BUILDING, SEATTLE
Smithmoore P. Myers, Chairman Lulu M. Fairbanks, Vice Chairman

STATE OF WASHINGTON—ss.
Filed in the office of the Secretary of State July 14, 1950.

EARL COE,
Secretary of State.

A-43

ARGUMENT AGAINST REFERENDUM MEASURE NO. 28

The Washington State Association of Life Underwriters urges every citizen to vote AGAINST Referendum No. 28. It will appear on the Ballot in the November election.

It will levy a compulsory 1% income tax on the first $3,000 annual income of all persons who come under Social Security taxes. The tax will be taken from the pay checks of working people for six months before anyone can collect any benefits. This device is in the law so as to build up a reserve fund of millions of dollars. The promoters of this law are hereby forcing the employed people to put up the capital to set this state into the insurance business. If this law passes, it will also force the addition of a great number of employees on the state payroll.

This 1% income tax will take approximately $13,000,000 a year from the working people of this state. Only a minimum number of persons can possibly collect weekly income benefits since comparatively few people lose time from their jobs for more than seven days. Payments do not begin until the 8th day of illness.

THIS IS A BAD LAW BECAUSE it will most certainly result in cancellation of employee benefit plans which continue full salary to employees while sick.

THIS IS A BAD LAW BECAUSE it is a needless law. Better policies, with more liberal benefits, can be bought for less money from many private insurance companies.

THIS IS A BAD LAW BECAUSE it by-passes the Insurance Code of this state which has been developed over 50 years for the protection of the public.

We insurance men have been selling the idea of sickness insurance against loss of income for many years. Our own code of ethics and the insurance laws guarantee the policyholder value received. No honest, self-respecting insurance underwriter would risk his reputation by selling such inadequate insurance coverage as that provided in this law.

We have developed our business by persuasion and good service. We hate compulsion and taxation without consent of those who must pay the tax. The coverage provided by this law is wholly inadequate as compared to the policies available in many good companies operating under the regulations of the Washington Insurance Code.

As honest citizens and good neighbors it is our duty to advise the people of this state to vote AGAINST Referendum No. 28.

Respectfully submitted,

WASHINGTON STATE ASSN. OF LIFE UNDERWRITERS
HOWARD C. RIES, C. L. U. President

STATE OF WASHINGTON—ss.
Filed in the office of the Secretary of State July 14, 1950

EARL COE,
Secretary of State.

A-44

ARGUMENT AGAINST REFERENDUM MEASURE NO. 28

The Washington Association of Insurance Agents and its 15 affiliated county associations strongly recommend that you vote **against** Referendum 28 for the following reasons:

(1) We are opposed to this proposed law, even in view of the fact that most insurance agents and accident and health insurance companies would profit by the enactment of Referendum 28, since private insurance companies are permitted to compete with the proposed new state bureau in writing the coverage. Despite the fact that we as insurance agents would be beneficiaries because of the huge market created by compulsion to buy, we are opposed to enactment of any law which compels a citizen to purchase any service or commodity which can be secured in a free, competitive open market.

(2) We also believe that as this referendum compels wage-earners to purchase insurance which is readily available from scores of companies at competitive rates, there is no need for this type of law. The coverage offered under the proposed new state bureau, to be set up at Olympia, would be more restrictive than that which can be purchased in the open market for less money. We are opposed to the establishment of another state bureau to render a service not needed by the citizens of the State of Washington.

Referendum 28 is a step down the road to total socialization of our economic system. If you are in business, *your business* may be next. If you work for a salary or wages, your employer may face state competition next and then you may be out of a job or working for the state at politically-dictated terms.

This is the first time in the history of the United States that the voters will have an opportunity to vote on a social scheme to be financed by pay-check deductions. We believe the mounting number and size of pay-check deductions are serious threats to the freedom of the working man. As long as he is able to purchase at competitive rates, insurance or any other service, why should the state pass a law compelling him to take another pay-check deduction in order to secure protection which the state says he needs?

A vote *against* Referendum 28 is a vote to preserve your freedom of choice of insurance protection and, even more important, a vote to protect your business or job from unnecessary governmental interference.

WASHINGTON ASSOCIATION OF INSURANCE AGENTS

Bellingham Assn. of Ins. Agents
Clallam County Ins. Agents Assn.
Cowlitz County Assn. of Ins. Agents
Grays Harbor Co. Ins. Agents Assn.
King County Ins. Assn.
Kitsap County Ins. Agents Assn.
Lewis County Assn. of Ins. Agents
Pierce County Assn. of Ins. Agencies
Skagit County Ins. Assn.
Snohomish Co. Assn. of Ins. Agents
Spokane Ins. Assn.
Fire & Cas. Underwriters Assn. of Vancouver
Ins. Agents Assn. of Walla Walla Co.
Wenatchee Assn. of Ins. Agents
Yakima County Ins. Assn.

STATE OF WASHINGTON—ss.
Filed in the office of the Secretary of State July 14, 1950.

EARL COE,
Secretary of State.

A-45

An Amendment to the State Constitution

To Be Submitted to the Qualified Electors of the State for Their Approval or Rejection at the

GENERAL ELECTION

TO BE HELD ON

Tuesday, November 7, 1950

BALLOT TITLE

Shall Article II, Section 33 of the Constitution be amended to permit ownership of land by Canadians who are citizens of provinces wherein citizens of this state may own land?

SENATE JOINT RESOLUTION NO. 9

Be It Resolved By the Senate and House of Representatives of the State of Washington in Legislative Session assembled:

THAT, At the next general election in this state, whether regularly or specially called, there shall be submitted to the qualified voters of the state for their approval and ratification, or rejection, an amendment to Section 33 of Article II of the Constitution of the State of Washington to read as follows:

Section 33. The ownership of lands by aliens, other than those who in good faith have declared their intention to become citizens of the United States, is prohibited in this state, except where acquired by inheritance under mortgage or in good faith in the ordinary course of justice in the collection of debts; and all conveyances of lands hereafter made to any alien directly, or in trust for such alien, shall be void: *Provided*, That the provisions of this section shall not apply to lands containing valuable deposits of minerals, metals, iron, coal, or fire clay, and the necessary land for mills and machinery to be used in the development thereof and the manufacture of the products therefrom: *And provided further*, That the provisions of this section shall not apply to the citizens of such of the Provinces of the Dominion of Canada as do not expressly or by implication prohibit ownership of provincial lands by citizens of this state. Every corporation, the majority of the capital stock of which is owned by aliens, shall be considered an alien for the purposes of this prohibition.

Be It Further Resolved, That the Secretary of State shall cause the foregoing constitutional amendment to be published at least three months next preceding the election in a weekly newspaper in every county where a newspaper is published throughout the state.

Passed the Senate March 8, 1949.

VICTOR A. MEYERS,
President of the Senate.

Passed the House March 4, 1949.

CHAS. W. HODDE,
Speaker of the House.

STATE OF WASHINGTON—ss.
Filed in the office of the Secretary of State March 12, 1949.

EARL COE,
Secretary of State.

A-46

An Amendment to the State Constitution

To Be Submitted to the Qualified Electors of the State for Their Approval or Rejection at the

GENERAL ELECTION

TO BE HELD ON

Tuesday, November 7, 1950

BALLOT TITLE

Shall Section 6, Article VIII of the Constitution be amended to permit school districts to become indebted when authorized by popular vote up to an additional 5% of assessed valuation for capital outlays?

HOUSE JOINT RESOLUTION NO. 10

Be It Resolved, By the House of Representatives and the Senate of the State of Washington, in Legislative Session Assembled:

THAT, At the next general election to be held in this state, whether regularly or specially called, there shall be submitted to the qualified voters of the state for their approval and ratification, or rejection, an amendment to section 6, Article VIII of the Constitution of the State of Washington to read as follows:

SEC. 6. Limitations Upon Municipal Indebtedness—No county, city, town, school district, or other municipal corporation shall for any purpose become indebted in any manner to an amount exceeding one and one-half per centum of the taxable property in such county, city, town, school district, or other municipal corporation, without the assent of three-fifths of the voters therein voting at an election to be held for that purpose, nor in cases requiring such assent shall the total indebtedness at any time exceed five per centum on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes previous to the incurring of such indebtedness, except that in incorporated cities the assessment shall be taken from the last assessment for city purposes: *Provided*, That no part of the indebtedness allowed in this section shall be incurred for any purpose other than strictly county, city, town, school district, or other municipal purposes: *Provided, further*, That (a) any city or town, with such assent, may be allowed to become indebted to a larger amount, but not exceeding five per centum additional for supplying such city or town with water, artificial light, and sewers, when the works for supplying such water, light, and sewers shall be owned and controlled by the municipality; and (b) any school district with such assent, may be allowed to become indebted to a larger amount but not exceeding five per centum (5%) additional for capital outlays.

Adopted by the House March 3, 1949.

CHAS. W. HODDE,
Speaker of the House.

Adopted by the Senate March 7, 1949.

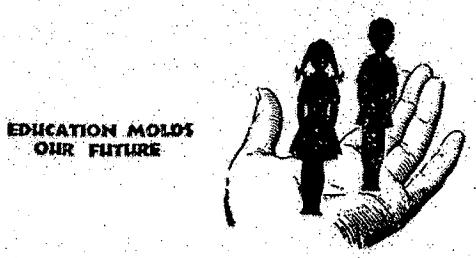
VICTOR A. MEYERS,
President of the Senate.

STATE OF WASHINGTON—ss.
Filed in the office of the Secretary of State March 10, 1949.

EARL COE,
Secretary of State.

A-47

ARGUMENT for House Joint Resolution No. 10—
Constitutional Amendment—



OUR GROWING SCHOOL DISTRICTS

As the State of Washington continues its healthy growth, many communities are under pressure to provide school facilities for their youngsters but find themselves up against the stone wall of an outmoded 5 per cent debt limit.

HJR 10 will amend the State Constitution to permit **those School Districts that want to,** to bond up to 10 per cent of their valuation for school construction purposes. This proposition merely extends to School Districts a right already established for cities and towns and will bring Washington in line with the large majority of states throughout the country (Oregon recently passed a similar measure, and California's debt limit for years has been 15 per cent.)

School houses must be built! Increasing the debt limit will provide the needed buildings and at the same time modernize our tax program.

With the present 5 per cent debt limit, many School Districts must vote themselves heavy tax levies to be paid immediately. A 10 per cent bonding capacity will make it possible to spread the cost of needed schools over a reasonable period of time, and will insure the payment of construction costs by those who will enjoy the benefits.

At the 1949 session of the Legislature, HJR 10 passed the House of Representatives with only three dissenting votes. It passed the Senate unanimously It is endorsed by the Washington State School Directors' Association, the Washington Congress of Parents and Teachers, and by scores of other groups and individuals. It benefits the children, the schools, and the taxpayers.

IRVING E. STIMPSON, *Chairman*
United Voters for School, College and Institution Bonds
4144 Arcade Building, Seattle 1
Telephone Main 8510

SUPPORT YOUR SCHOOLS—FOR A GROWING STATE
VOTE "YES" ON HJR NO. 10!

STATE OF WASHINGTON—ss.
Filed in the office of the Secretary of State July 5, 1950.

EARL COE,
Secretary of State.

A-48